

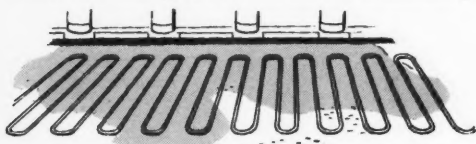
# RAILWAY AGE

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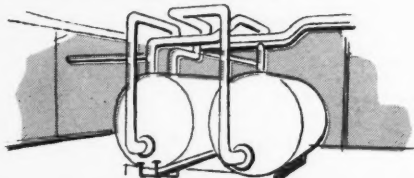
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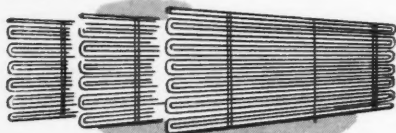
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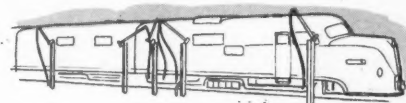
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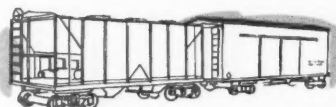
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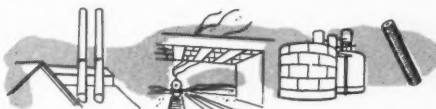
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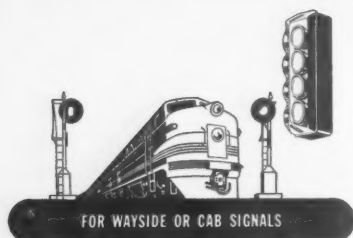
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## WEEK AT A GLANCE

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**NEWS HIGHLIGHTS:** Railroads seek probe of long-haul trucking.—Fact-finding board hears more railroad evidence in connection with conductors' and trainmen's demands for 40-hr. week and rules changes.—127 Diesel units ordered by 3 railroads.—Senate committee begins hearings on "union shop" bill.—Mediation renewed in "extra-fireman" demand.—Drysdale asks Senate subcommittee for "new concept" of railroads.—U.S. C. of C. stages discussion of transportation.—P.R.R. and Wabash get authority to buy D.T.&I.—American Locomotive and General Electric coordinate locomotive sales organizations.

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**MARION J. WISE:** As briefly reported in last week's *Railway Age*, Marion J. Wise, president of the Central of Georgia since June 28, 1948, died on April 26. A more detailed account of his railroad career, with some facts about the progressive company which he headed, appears on page 38.

---

**HOW TO HANDLE PULPWOOD:** There appears to be steadily growing support for the idea that the railroads would benefit substantially from greater use of cars designed specifically to handle individual commodities or types of commodities. An interesting and strikingly successful application of this theory is the Bangor & Aroostook's use of some 200 special side-discharge pulpwood cars. The cars, plus a special dumper, were designed jointly by the railroad, the Great Northern Paper Company and the Magor Car Corporation; as related in the illustrated article which starts on page 34, they have substantially reduced the cost of handling pulpwood, and helped to keep it moving over B.&A. rails.

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**FOR TRAFFIC DEVELOPMENT:** Everyone knows that railroads furnish transportation, but not everyone realizes the additional non-transportation benefits which they provide. One of the most important of those benefits, and one seldom fully recognized, is their contribution toward increasing the industrial and agricultural potential of the territories they serve—an activity often carried on from a long-range viewpoint and with no immediate hope of return in the way of increased traffic. The men who do this work, organized in the American Railway Development Association, held their 41st annual convention at Omaha, Neb., April 19-21; the meeting is reported on page 49.

---

**ENVIRONMENT AND MANAGEMENT:** With as much discussion as there is today of problems confronting "the railroads" it's pretty easy for the public, and railroaders, too, to forget that "the railroads" are not a single company, but an industry composed of many individual companies with widely different problems and characteristics. Some of these individual companies are, relatively, in poorer condition today than the industry as a whole; others are substantially better off. Some of the more striking departures from the norm, particularly on the upward side, and some of the reasons for those departures, were reviewed recently before the Na-

tional Federation of Financial Analysts Societies by Walter F. Hahn, of Smith, Barney & Co.; on page 30 is an article by Mr. Hahn, based on his discussion. "Environment and management," he concludes, "make a railroad," but some "have problems which even wizards could not solve."

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**THE NEXT STEP:** It is of course far too early to predict what, if anything, will be the end result of the hearings on transportation now being conducted by the Senate subcommittee on domestic land and water transportation. But the hearings have already produced one definitely beneficial result—a superlatively complete and carefully documented statement of the precise nature of the difficulties confronting the railroads and a clear and specific analysis of the changes which are needed in transportation policy and legislation to restore to the railroads the ability to become and remain financially and physically strong. The industry owes to J. Carter Fort and his associates sincere thanks for a splendid job of diagnosis. Now it's up to the rest of the industry to take the next step—to make use of the facts and the policy presented to the Senate. Some ideas on what needs to be done are included in our leading editorial.

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**BENEFITS OF TIMBER TREATMENT:** Definite evidence of the economic value to the railroads of timber preservation; indications of continuing advances in preservation materials and techniques, and warnings that forest conservation measures must be applied on a still broader scale than at present were the highlights of the American Wood Preservers' Association's 46th annual convention at Houston, Tex., April 25-27. A full report of convention proceedings begins on page 44.

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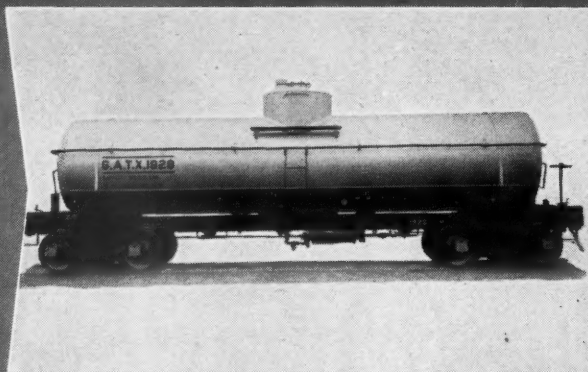
**GREATEST ON RECORD:** Capital expenditures for equipment and other improvements by Class I railroads in 1949 totaled \$1,312,200,000, the "greatest amount for any year on record," the A.A.R. announced this week. Details of the expenditures, and comparisons with prior years, are given in the News.

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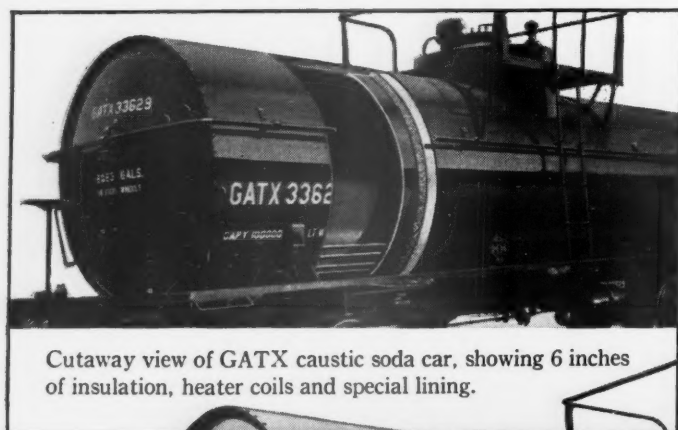
**HOW SAFE CAN A RAILROAD BE?** The railroads have come closer than any other form of transportation to reducing to an absolute minimum the calculated risk which is inherent in any human operation of complicated machinery. But when something does go wrong, safety records so laboriously compiled over long periods of years are quickly forgotten and criticism, severe, frequently uninformed and often completely unfounded, frequently follows. Such was the story after the February 17 wreck on the Long Island. Because the resulting criticism, in that case, was especially harsh, and because it was directed also against many other railroads, *Railway Age* looked into the L.I.'s safety record, and to the precautions which it regularly takes against accidents, and came up with the facts outlined in the article beginning on page 39.

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## NOW THAT THE RAILROADS HAVE A SOUND PUBLIC POLICY. . . .

J. Carter Fort and his associates, appearing for the Association of American Railroads in the S.50 investigation by the Senate interstate commerce subcommittee, have done a superlatively complete job of setting forth in carefully documented detail the difficulties which confront the railroads—which must be removed if the industry is to serve the nation as it should. These A.A.R. statements have been reviewed briefly in the news pages in recent issues of this paper, but the complete texts are doubtless available at most railroad executive offices; and railway officers in any way responsible for public policy would certainly find well repaid the time they may devote to a careful reading of the entire series.

Never before has the railroad industry cooperated to set forth in such detail and so cogently the precise nature of its difficulties—that is, its precarious traffic and earnings position and the competitive and regulatory framework which has produced this unhappy condition. Not until now have the railroads ever stated so clearly and specifically the changes which they believe are required in their regulation, and in the financing and control of the use of publicly owned transportation facilities, in order to restore to the railroads the ability to finance themselves from private resources and to regain the health and growth which the public interest and the public safety require.

In sum, a splendid performance in diagnosis has

been done; now how about prescribing and applying remedial measures as comprehensive in detailed and convincing accuracy as the diagnosis? Whose job is it to apply the cure, now that so thorough a presentation of all the complex aspects of the malady has been made?

### **The Complete Answer**

The easy—and partly true—answer to these questions is to say that Congress should prescribe the indicated remedies, following closely the recommendations of Mr. Fort and his associates. This answer is, however, incomplete—because Congress does not happen to be an enlightened despot, able to take whatever legislative steps wisdom may direct in dealing with transportation. However thoroughly convinced the Senate interstate commerce committee may be as to the rightness of the testimony of the A.A.R. witnesses, it still will be helpful—and probably quite necessary—for a lot of influential people *outside of Congress* to be reached, and convinced emotionally as well as intellectually, as to the vital importance to them of the adoption of the principal recommendations made in the testimony by Mr. Fort and his collaborators.

Formal testimony, and formal resolutions of endorsement, are an essential part of the educational process leading up to constructive legislative action

—but they are only a part of the process. Information has to be converted into a definite legislative program, and emotional zeal as well as intelligence has to be aroused, before there is any chance that the results of systematic observation and analysis will be reflected in the law. It is not enough that the A.A.R. witnesses should be so well informed and so aptly articulate—their revelations will have to spread abroad, becoming the property and the conviction of many thousands of determined and influential Americans, before Congress is likely to translate sound precepts into effective legislative action.

### **The Next Step**

The next step toward this outcome is, probably, for all railroad officers with a sense of responsibility for the industry's welfare to digest this evidence themselves—and to use constructive imagination in developing ways to convey it to other people, especially to shippers who comprise the most effective part of public opinion where transportation legislation is concerned. The practitioners in the field of railroad public relations are, no doubt, already fully prepared to do their necessary part in this great educational endeavor—but the public relations officers are, so to speak, the “technicians of communication”; they are not the microphones and loud-speakers which actually convey the message. That is a function which can and should be performed by every intelligent and devoted railroader who is not tongue-tied. Mr. Fort and his colleagues have produced the ammunition and the public relations departments will doubtless make it widely available; but actually delivering the volleys where they will do the most good is a duty spread widely throughout the industry's personnel, especially its officers and supervisory forces. The required strategy is not just that of combat, either—measures of diplomacy are equally necessary and appropriate.

Many friends of the railroads—outside the industry as well as within—have appeared to discern a fundamental contradiction in the approach to a solution of transportation problems by the methods employed, for instance, by the Transportation Association of America, on the one hand; and, on the other, by such determined enthusiasts as those who enlist themselves behind a bill in a state legislature to bring the legal size of trucks down to the limits recommended by the American Association of State Highway Officials. But where lies any *essential* antithesis in these two approaches?

A nation needs, for the safety of its political and economic existence, a diplomatic corps—and it also needs a military force. These two arms of national policy are not antithetical, but can and should supplement each other. To the extent that the Transportation Association of America is able to bring representatives of all aspects of transporta-

tion together under conditions conducive to reasoned cooperation, the more it is likely that many details of disagreement among the several agencies of transport may be amicably settled. On the other hand, if there is a large and influential group of shippers and other citizens well prepared to go directly into the legislative halls with a good chance of impressing legislators with the pressing need, in the public interest, of taking whatever steps are necessary to get the railroads out of the poorhouse, this latter element of total strategy is certainly no less important than the strictly diplomatic approach. Indeed, it sometimes happens that the diplomats of the nation with the biggest and most respected military establishment seem to speak with an eloquence which has peculiarly persuasive power. And, of course, a nation with a big military force and no diplomatic corps at all is simply barbarous.

The first step—able and detailed diagnosis—in getting a sharp turnabout in the critical situation of the railroads has been successfully taken. The next step is that of enlisting the assistance of all the able physicians needed to effect a cure—these physicians being, above all others, the leaders of the shipping fraternity. How enlist them? In addition to enlightening them of the details of the diagnosis, does not something need to be done to arouse them emotionally as well as intellectually—(1) by promising them the improvements in service *which they want*; and (2) giving the whole program a positive direction by mutual agreement upon some such goal as: “Restoring self-supporting private enterprise and economic freedom to transportation”?

There are many people in this country who have no immediate self-interest at stake in the solvency of the railroads, but who do have a highly conscious determination not to permit their America to go socialistic. It is a service to such patriotic people to identify honestly for them the cause of railroad solvency with the larger goal to which they have dedicated themselves.

Now that the railroad industry has such a sterling policy to “sell,” it certainly makes sense to adopt a “sales” program which is just as thoroughgoing and sound as the product to be “sold.”

---

## **WHAT TYPE OF DIESEL REPAIRS?**

A major problem in the economical operation of Diesel motive power is the determination of the intervals between repair periods and the basis for arriving at their duration. For most parts, a logical way to gage the probable need for repairs is to base the decision on the total amount of fuel consumed by the engine over the entire period, which is

a measure of the horsepower-hours developed. For greater simplicity in scheduling any type of repairs many roads prefer to use mileage, or even straight time for some types of power.

The use of horsepower-hours, or fuel consumed, for determining parts repair or replacement should become increasingly useful as Diesel fleets grow and locomotives spend less and less time assigned to particular runs, and more and more in general pool service. Where a locomotive is operated in a specific service all or most of the time, mileage is a satisfactory indicator of wear because it provides a close measure of the work done. This is not necessarily, nor even usually, the case when a locomotive is used in different classes of service over entirely different terrains.

Unfortunately, however, the increase in Diesel power on a railroad may make it more difficult to schedule repairs on a fuel-consumption basis at the same time that the growth makes it increasingly desirable to do this, because of the tendency toward pool service when the number of locomotives gets larger. An important question to be answered, therefore, is whether it will be worth the additional time and effort to arrive at a more scientific means than straight time or mileage for determining the need for parts repair or renewal. Probably the benefit of the doubt should be given to the better way even though more trouble is involved, because the alternative may well be a drift toward the slipshod maintenance today being accorded steam power on many roads.

The present tendency toward increased emphasis on classified repairs to Diesel locomotives might well be a new field in which the fuel consumption of the engine would determine the intervals between the shoppings. It could be a help in answering a number of questions that will likely arise if classified repairs are adopted generally.

What should be the interval between shoppings? What should be done with partially worn parts? Should they be re-applied in the engine to be later replaced during the periods of progressive maintenance that will supplement the class repairs, or should they be replaced during the class repair and held as replacement parts? Or is the availability of the Diesel of sufficient importance to justify discarding entirely the partially worn parts so as to reduce as far as possible the risk of tying the locomotive up for minor repairs? These are some of the questions involved in establishing a shopping program for Diesel-electric locomotives.

---

The real issue in the intended strike of the locomotive firemen is their failure to realize that they, as well as their employers, are engaged in a highly competitive business. The more expensive they make railroad operation, the less work there will be for them and for many other railroad workers.—*Wall Street Journal*.

## WHY SOME LOCOMOTIVE FAILURES OCCUR

Reports of accidents involving failures of locomotive parts disclose two conditions involving maintenance routine which are frequently contributory. One is the repeated reporting of a defective condition, sometimes running for many days prior to the ultimate failure of the part, or its failure to operate, with consequences involving the life and limb of employees and patrons as well as the destruction of property. The other is the failure of maintenance routine in which employees are called off partially finished jobs which are ultimately finished by other men.

For more than 20 years, since the advent of long locomotive runs, locomotives have been dispatched almost without regard to the territory to which they are assigned and on which the principal responsibility for their maintenance lies. Work reports are, therefore, made at many terminal points and neither the enginemen nor the terminal employees have knowledge of preceding work reports. Thus, the same work may be reported successively day after day and the fact that the work done to correct the condition reported is proving wholly ineffective is completely missed at each successive terminal. Instances even come to light occasionally where the same defect is reported day after day at the same terminal and work is done repeatedly which does not correct the defect, until an accident occurs.

An engine terminal is a busy place where there is never a comfortable margin of man-hours so that men can be assigned to follow through one job to completion. Once a man is called away for another more immediately pressing job, it is purely a matter of chance if he ultimately returns to complete the earlier assignment. Thus, for instance, bolts and nuts temporarily applied and not adequately tightened are overlooked and accidents result.

Where locomotives are tramps, tying up at various terminals without regularity, a record of work reports on the locomotive, to be consulted by the enginehouse foreman, would bring to light conditions in which superficial repairs or adjustments were proving inadequate. This knowledge should lead to a more thorough diagnosis of the trouble and its correction with less expenditure for man-hours and material than would be required for further continued tinkering. The prevention of failures from the second cause is a matter of complete inspection of all work done on a locomotive before it is dispatched.

Accidents resulting from the failure of routine usually involve unjustified assumptions as to the completeness and correctness of the job on the part of the foreman or mechanics who sign for the work. The final inspection should be devoid of all assumptions.



## Why Some Railroads Have Been Doing Well in a Ge

The Class I railroads last year had earnings\* which represented a 2.91 per cent return on property investment. Net operating income was \$687 million on depreciated property investment of \$23.6 billion. Net income in 1949 was \$438 million, including \$254 million non-operating income. Without any non-operating income, net income would have been about \$200 million—less than 1 per cent on property investment.

This sounds bad and it is bad. Yet surprisingly enough, in the generally unfavorable environment indicated, some railroads did comparatively well. Those that earned substantial amounts on their common shares (though not so much on book value) include:

	1949 Earnings in Excess of \$10 Per Common Share	Earned on Equity** %
Alabama Great Southern	\$10.55	† 7.43
Atchison, Topeka & Santa Fe	18.06	5.12
Cincinnati, New Orleans & Texas Pacific	10.09	† 8.52
Illinois Central	11.20	5.00
Kansas City Southern	18.10	9.55
New Orleans, Texas & Mexico	21.49	† 11.10
New York, Chicago & St. Louis	30.56	8.09
St. Louis Southwestern	42.92	10.67
Union Pacific	10.28	6.67

	1949 Earnings Between \$5 and \$10 Per Common Share	Earned on Equity** %
Atlantic Coast Line	\$ 9.39	3.02
Bangor & Aroostook	7.84	5.12
Chicago, Burlington & Quincy	9.03	3.34
Chicago, Rock Island & Pacific	9.83	6.25
Denver & Rio Grande Western	7.27	4.11
Great Northern	6.05	3.59
Maine Central	6.75	3.36
Nashville, Chattanooga & St. Louis	8.36	† 4.67
Pittsburgh & Lake Erie	5.86	† 5.85
Seaboard Air Line	8.71	6.51
Southern	6.87	2.86
Southern Pacific	8.66	3.25
Texas & Pacific	9.73	3.31
Wabash	7.18	5.54
Western Pacific	5.08	† 3.50

\* Before non-operating income and fixed charges.

\*\* Earned on book value of common stock, i.e. stated or par value of common stock plus surplus.

† Based on 1948 book value.

The earnings per share of this group are in sharp contrast with the previous reference to a 1949 Class I railroad return of less than 1 per cent. How is it that some railroads do well, others poorly? Why are some of the formerly strongest railroads today among the weakest; why are some of the weakest railroads of the 1930's, in fact some of the then-bankrupt railroads, today among our strongest?

After four years of postwar environment there is still no general understanding of just how this all came about. What caused these revolutionary changes? Are they permanent? Or will the weak again become the strong, and vice versa? Which railroads, if any, have investment appeal? What do they have that makes them different than other railroads? Also, what don't they have that has weakened the position of the others? Some answers to these questions and others are here attempted.

That some railroads have been doing well and others poorly reflects the fact that the former have benefitted to a predominant extent by some of the war and postwar developments favorable to railroads and the latter have been harmed in a major way by unfavorable developments. Few railroads have been benefitted by all of the favorable developments and not been hurt by some of the unfavorable. But those that have been doing well, and that will continue to do relatively well until the environment changes, have been benefitted to a considerable degree by the following favorable factors, and not hurt too badly by the unfavorable.

**Favorable Factors:** (1) Greater than average growth of traffic resulting chiefly from greater than average population and industrial growth of certain areas, specifically the Pacific Coast, the Southwest and Florida.

This article has been developed by the author from a paper delivered at the annual meeting in New York, on March 2, of the National Federation of Financial Analysts Societies, as reported in *Railway Age* of March 4, page 61.



## a Generally Unfavorable Environment

Large post-war expenditures for centralized traffic control (facing page) and Diesel-electric motive power (above) have helped the railroads to provide better service, meet competition, and keep rates and fares from increasing in proportion to wages, taxes and other operating costs

By **WALTER F. HAHN**  
Railroad Security Analyst  
Smith, Barney & Co.

(2) Inflation of wages and other operating costs and freight rates, the net effect of which has been to increase the earnings of low-operating-cost railroads.

(3) Large expenditures for additions and betterments, including Diesel-electric locomotives particularly, resulting in improved efficiency of operation.

(4) Better overall financial position produced by reduced debt and fixed charges and strengthened cash and working capital.

(5) Managerial changes productive of new leaders in the transportation field.

**Unfavorable Factors:** (1) Increased loss entailed in passenger service.

(2) Downward trend of coal consumption and production.

(3) Increased expense of terminal operation, particularly that involved in termination of a freight movement.

(4) Greater than average loss of traffic to trucks due to type of traffic or length of haul or rate structure.

Of the above, by far the most influential among the favorable items has been large revenue growth. This may reflect various developments, one of the most important of which has been regional changes in population and industry. During the period April 1, 1940, to July 1, 1948, population gains by regions and states were as follows:

### POPULATION GAINS—PER CENT

Northeastern States	9
North Central States	9
Southern States	7
Western States	34
New York	7
Pennsylvania	8
Florida	24
Texas	13
Arizona	33
Utah	19
Nevada	28
Washington	43
Oregon	49
California	45

Greater than average growth of traffic and revenues may also reflect less than average diversion to competitive forms of transportation; not too heavy a coal traffic, which has been in a downward trend in relation to industry in general; less than average amount of passenger traffic; or a high measure of freight solicitation ability.

Whatever the reasons, there have been very large differences in the revenue increases of our railroads—much greater differences than most people realize. The large\* companies that gained more than the average for Class I railroads since the late 1930's are shown below:

### LARGEST REVENUE GAINS AMONG CLASS I RAILROADS (1935-9=100)

	1929	1949
St. Louis Southwestern	137	329
Atchison, Topeka & Santa Fe	170	310
Seaboard Air Line	146	308
Kansas City Southern	150	300
New Orleans, Texas & Mexico	141	285
Atlantic Coast Line	161	277
Western Pacific	117	271
Southern Pacific	154	266
Union Pacific	145	261
Missouri-Kansas-Texas	191	255
Minneapolis, St. Paul & S. Ste. Marie	207	248
Northern Pacific	160	248
Western Maryland	120	247
Denver & Rio Grande Western	144	246
New York, Chicago & St. Louis	143	245
Great Northern	144	243
St. Louis-San Francisco	188	240
Alabama Great Southern	154	239
Chicago, Rock Island & Pacific	192	238
Illinois Central	168	233
Nashville, Chattanooga & St. Louis	168	232
Central of Georgia	162	231
Chicago, Burlington & Quincy	172	231
Chicago, Milwaukee, St. Paul & Pacific	166	231
Texas & Pacific	170	231
Baltimore & Ohio	170	229
Southern	154	228
Cincinnati, New Orleans & Texas Pacific	141	226
Class I Railroads	163	223

Immediately, we have an unmistakable answer to our

\*Those with 1949 revenues over \$25 million.

question "Why Have Some Railroads Been Doing Well in an Unfavorable Environment?"

Of the twenty-eight railroads having the largest revenue gains since the years immediately preceding the war, nine are in the above list of nine that earned over \$10 per common share in 1949, and eleven more are in the list of fifteen that earned between \$5 and \$10 per common share in 1949. In other words, only eight railroads of the twenty-eight largest revenue gainers failed to earn \$5 on their common stocks last year.

It may be unnecessary to point out that the ten railroads that showed the smallest revenue gains since 1935-1939 showed 1949 net income that averaged only 74 cents per share of common stock.

### Industrial Moves Reflected

It seems pretty conclusive, then, that one of the chief reasons for the wide variations in railroad earnings developed in the war and postwar years is the great disparity in the revenue increases of the various companies, with the greatest gain, 229 per cent, the smallest 54 per cent. Worth noting is the fact that of the twenty-eight railroads with the largest revenues gains, eighteen are in the West, seven are in the South and only three are in the East. This is parallel to the population and industrial shifts. It also shows the influence of the farm prosperity produced by the war and sustained since then by federal subsidy programs.

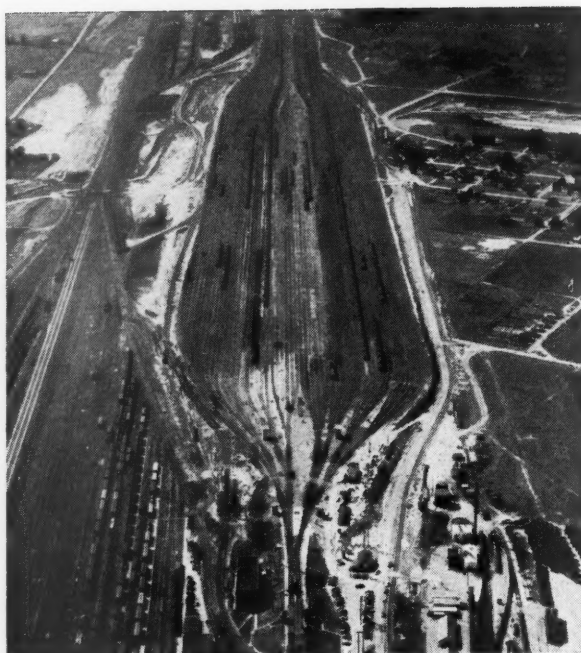
Population shifts, industrial development, farm prosperity, these alone do not account for the wide variations in the railroads' revenues trends. Passenger business and head-end traffic cannot be overlooked. Passenger revenues have not increased as much as freight revenues, and, in addition, the unit cost of passenger operation has increased materially so that very few railroads have found it possible to break even on passenger traffic as a whole, even though main-line business is often profitable.

Mail, which is carried for the United States government at ridiculously low rates and which produces a large loss, is also an important factor. Other things being equal, railroads that do not have much passenger or allied business have done much better financially than those that have.

### Effect of Coal on Revenue

Most railroads that move a large amount of coal have not been among the leading revenue gainers. Of the twenty-eight listed above, relatively few can be identified with coal traffic and these do not head the list. This is because other fuels are supplanting coal in consumers' furnaces and power plants, in the main due to changes in relative fuel prices. Prices for coal have soared in comparison with those of other fuels, especially oil. Greater than average wage increases for the miners are not the only reason. Important is the fact that in an inflationary environment any product that requires much labor in its production is at a disadvantage compared with competitors' products that do not. Oil is one of the latter.

Increased burden of terminal and harbor expense has been an important factor in holding down the earnings of some railroads. Such include Eastern tidewater railroads and some that have relatively short hauls. Thus,



Modern retarder-equipped hump yards at strategic locations expedite movement of freight

comparatively, the Western roads have benefited by their longer than average hauls and absence of heavy port traffic.

"The rich get richer and the poor get poorer." Beneficiaries of the factors favorable to railroads had exceptionally large net incomes in the 1940 decade, particularly during the war years. In many cases only a small part of earnings was given to stockholders. As a result, some railroads were able to improve their financial and physical conditions much more than others. In some cases debt was tremendously reduced, as were fixed charges. Cash and working capital positions were strengthened. Large amounts were spent for additions and betterments. Some of these, as in the case of the Diesel-electric locomotive, were productive of tremendous economies.

Consider the Atchison, Topeka & Santa Fe. During the ten years 1940-1949 its net income totaled \$457 million. Of this amount, \$62 million was paid to preferred stockholders and \$133 million to common stockholders. Retained earnings were \$262 million, which find reflection in the following balance sheet changes:

#### ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY BALANCE SHEET CHANGES

	1949	1939
	(millions)	
Funded Debt	\$ 215	\$ 332
Preferred Stock	124	124
Common Stock	243	243
Cash and Equivalent	119	50
Net Current Assets	110 A	63 A
Road	926	803
Equipment	527	306
Total	1,453	1,109
Depreciation & Amortization	419	194
Corporate Surplus	613	385
Book Value of Common Stock	353	258

A—Do not include net current assets of \$46 million in 1949 and \$5 million in 1939 of subsidiary Western Improvement Company.

As a result of the large reinvestment in plant, the Santa Fe has been able to handle its increased traffic

in highly efficient fashion. Its fleet of Diesel-electric locomotives—one of the largest in the country, numbering 444 (864 units) at the end of 1949 compared with 49 ten years previous—aids importantly in this respect. Diesels account in large measure for the increase in gross ton-miles per train-hour\* from 35,471 in 1939 to 52,053 in 1949.

Thus the Santa Fe has benefited not only from abnormally large increases in traffic and revenues but also from abnormally large retained earnings permitting a degree of efficiency unequaled in the company's history.

The Santa Fe story, unfortunately, is typical, in part or in whole, of a relatively small segment of the railroad industry. It is living proof of the text of this message, namely that environment and management make a railroad.

### The Role of Management

The subject of management is one that is difficult to analyze in terms carrying convincing evidence that the analysis is wholly objective. This is particularly true since good management looks to the future and not entirely at the present. Some indices which might suggest excellent management as of the present may not augur so well of the future—and the reverse is also true. That there are good, fair and poor railroad managements, few would deny. The good are the leaders, the fair are the followers, the poor are the rest. Unfortunately, all too often the idea of poor management is associated with poor financial results. This is not necessarily so. Some railroads have problems which even wizards could not solve.

Be that as it may, the type of management a railroad has is very important from the standpoint of the investor. That good management can do a better job than a fair or poor management has been graphically demonstrated by the recent history of the Chicago Great Western.

The Great Western is definitely not one of the large revenue growth railroads. In 1949 its operating revenues were only 183 per cent of the 1935-39 average, compared with 223 for Class I railroads. This is close to the bottom of the list. Yet when I visited President Dera-mus late last year, I had ample reason in the improved operations of the road to ask him what the numbers 46-41-37-29 meant to him. He didn't know, in fact looked at me as if I were wasting his time. But he warmed up quickly when I pointed out to him that the four figures were Great Western's transportation ratios for the last four Octobers.

In order to realize clearly just what was accomplished by new methods and new tools, take a look at revenues and transportation expenses for the Great Western and the Class I railroads for the past four years.

Between 1946 and 1949 the Great Western reduced

transportation expenses by over 13 cents on each dollar of revenues. On the basis of last year's revenues of \$32.3 million, the indicated annual saving is \$4.2 million. This is a lot of money to be saving. The same kind of a saving for Class I railroads on the basis of 1949 revenues of \$8.6 billion would be over \$1.1 billion, compared with 1949 Class I railroad net income of \$438 million.

The Great Western job was done primarily with Diesels, but savings in other directions were substantial. Perhaps more important than the technical details of how management accomplished the above savings is the fact that they were accomplished.

### A Lot or a Little

Other instances of outstanding managerial ability in the railroad field could readily be cited. Perhaps a story I was recently told will do as well. Not long ago I had the privilege of talking railroads with a top executive of one of our large equipment manufacturing companies. This man knows railroad management as few others do. I asked him to define good railroad management. He said, "Some railroad managements expect a lot from their employees and get it. Other managements expect little—and get it. Employees live up to what management expects of them."

This brief survey would not be complete without mention of one more development of the war and postwar years that has had widely diverse effects upon the various railroads. Many people, according to my observation, have the impression that most, if not all, of the railroads were, on balance, hurt by the postwar inflation of wages and other costs, freight rates and passenger fares. You will appreciate that this is not true of the railroads any more than it is true of any other industry whose component companies vary widely for any number of reasons in their costs of operation or production. Actually, it is demonstrable that during recent years wage increases and offsetting freight rate increases increased the earnings of some of the low operating cost railroads. The high cost operation roads, on the other hand, suffered decreases in net income as a result of the inflation.

It seems clear that most of the railroads that have been doing well are those that have had the largest gains in traffic and revenues. Such were able to overcome the problems produced by inflation, in fact some gained net income as a result of the inflation. Such include relatively few railroads that have very heavy passenger revenues or coal revenues. New tools and methods of transportation have had an important bearing, too, on the matter of profitable railroad operation, and in some cases the evidence strongly suggests the importance of management.

Until the general environment changes or until railroads themselves change their characteristics, the general rule of the postwar period—Environment and Management Make a Railroad—will probably persist.

\*Generally considered one of the best single measures of freight train operating efficiency.

	Chicago Great Western				Class I Railroads			
	1949	1948	1947	1946	1949	1948	1947	1946
	Thousands				Millions			
Operating Revenues	\$32,291	\$35,690	\$31,325	\$27,106	\$8,580	\$9,672	\$8,685	\$7,628
Transportation Exp.	11,188	14,371	13,963	12,962	3,416	3,821	3,476	3,212
Transportation Ratio	34.6%	40.3%	44.6%	47.8%	39.8%	39.5%	40.0%	42.1%

# Special Cars and Car Dumper Cut Pulpwood Handling Costs



Loading pulpwood for Great Northern Paper Company's mills at Sheridan, Me.

**T**he evolution of pulpwood car design and the development of a special car dumper worked out by joint efforts of the Bangor & Aroostook, the Great Northern Paper Company and the Magor Car Corporation has operated to make substantial reductions in the cost of handling pulpwood.

## **A Large Freight Factor**

About 20 per cent of the freight traffic of the Bangor & Aroostook is pulpwood, 818,661 tons having been handled during 1947 and 710,335 tons during 1948. Most of it moves from loading points in the Northern Maine woods to paper mills such as the one at Millinocket, Maine.

Until about 1945 pulpwood to the Great Northern mills was loaded in box, gondola, rack or flat cars and un-

loaded at the mill by manual labor. This method required about 2½ man-hours to unload an average car of 19 cords.

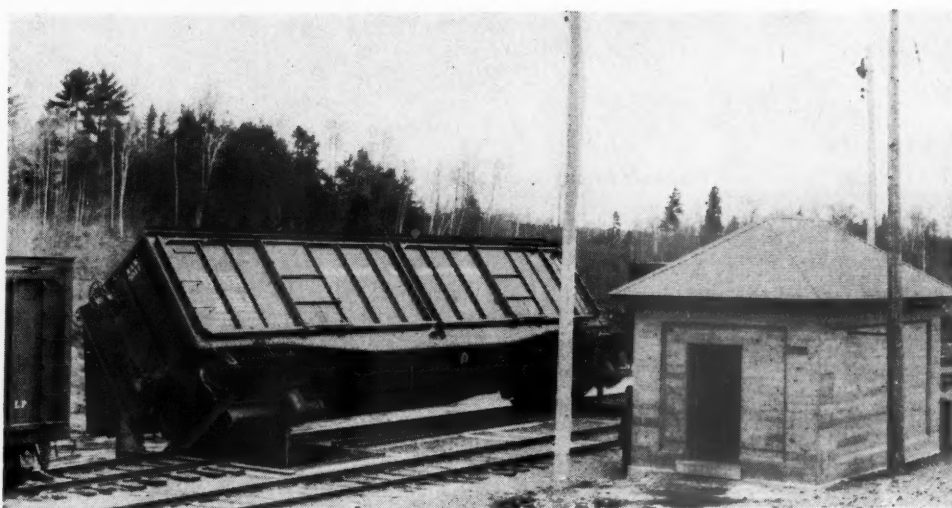
During 1945 the first of an experimental design of side-discharge pulpwood cars was worked out and the car built by Magor Car Corporation at Passaic, N. J. The initial tests with this car indicated definite economies and the engineering staff of the Great Northern Paper Company developed a design of car dumper which in its final form was installed at the Millinocket mill. Coincident with the dumper project, the Bangor & Aroostook ordered 100 side-discharge pulpwood cars of 50-tons capacity which were completed in 1947 and placed in service. They proved satisfactory and a subsequent order for another 100 cars of essentially the same design has been delivered by Magor to the railroad.

The car dumper consists of two platforms 8 ft. 6 in.

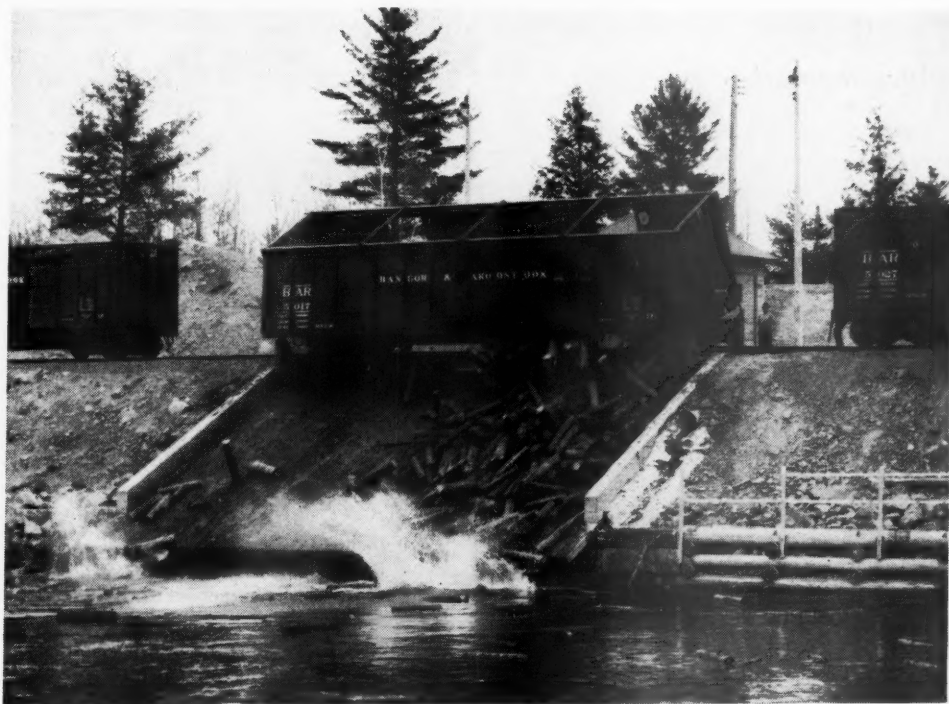
The cars are lined up over the dumper by small internal-combustion switching locomotive. This illustration shows the chute down which the pulpwood rolls into the canal

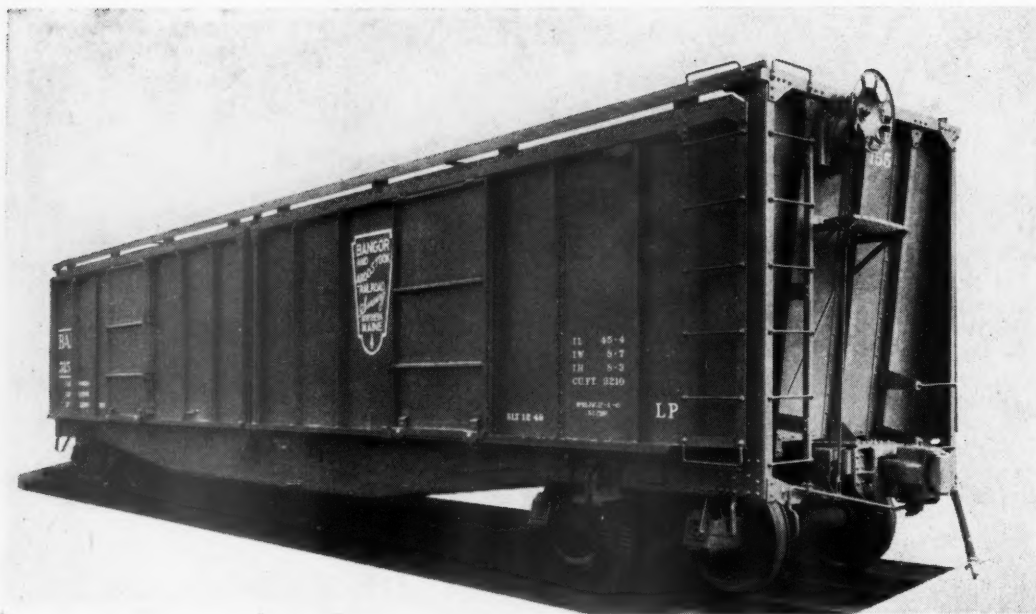


The dumper platform, with a car in the tilted position. In the immediate foreground is the pump house which contains the motordriven pumps and the controls



When the pulpwood cars are tilted on the platform of the dumper the sides of the car open and the contents slide down the apron into the canal which leads to the mills





Bangor & Aroostook car built by Magor Car Corporation for handling pulpwood

long by 9 ft. 5 in. wide, hinged to tilt to a maximum angle of 39 degrees. These platforms, with the car, are controlled in their movement by a hydraulic cylinder of 14-in. bore by 54 $\frac{1}{4}$ -in. stroke exerting a force of 64,600 lb. with 420 lb. per sq. in. hydraulic pressure.

The pulpwood car is run onto the tilting platform of the dumper and held to the rails by locking bars attached to lugs on the side of the car with 2 $\frac{7}{16}$ -in. pins. The locking bars are hinged to a jaw on the end of the piston of two 12-in. hydraulic holding-down cylinders secured to the dumper platform. At a hydraulic pressure of 270 lb. per sq. in. the resistance to the overturning of the car is 27,250 lb. at each cylinder.

### Tilting the Cars

Once the car is locked to the platform rails another hydraulic cylinder of 6-in. bore and 15-in. stroke actuates the locking mechanism of the side-discharge car doors to unlock them; pressure is applied to the 14-in. jacking cylinders and the dumper platform and cars are tilted. Structural brackets on the dumper platform are located in such positions as to permit the side sills of the car to rest on heavy angle supports when the platform is tilted to the maximum angle in the dumping position. In this position the contents of the car slide out onto a steel plate and concrete deck with a slope of 6 in. in 12 in. from which the pieces of pulpwood roll into a canal leading to the mill.

The hydraulic pressure is supplied by two motor-driven centrifugal pumps, one of 15 g.p.m. capacity for the holding-down cylinders and another of 80 g.p.m. capacity for the jacking cylinders. Valves in a pump house adjacent to the dumper serve to control all three sets of cylinders.

After the load has been dumped the movement of the jacking cylinder pistons is reversed by the application of pressure to the stuffing-box end of the cylinder which

forces the oil from the opposite side of the piston through a  $\frac{3}{8}$ -in. orifice to the return pipe lines, thus lowering the platform slowly, under control, to the horizontal position where the pressure is released from the holding-down cylinders and the locking bars are removed.

The side car doors are closed after the door trip cylinder is lowered and the doors secured in the closed position by latches.

### The Cars

The cars are of open-hearth steel, with all shapes, plates and bars  $\frac{1}{4}$ -in. thick and under. All sheets are of 0.20 per cent copper-bearing steel. The construction is principally by riveting, welding being used for miscellaneous subassemblies. All interior rivet heads are flattened.

Since the entire sides of these cars are doors, the underframe carries the load on fish-belly center and side sills of approximately the same center depth—2 ft. 2 $\frac{1}{4}$  in. All chord angles are single except at the bottom of the center sill, where inner and outer chord angles are used. Bolsters, crossbearers and crossies are full flanged pressings; the bolsters and crossbearers have bottom cover plates. There is one continuous end sill, the end itself acting as a lateral tie.

The ends have single inside sheathing, with intermediate and center zee stiffeners and pressed channel corner posts. The corner posts are tapered to a sufficient width at the bottom for substantial attachment to the side sill. The outer edge is vertical and the inner edge slopes outward toward the top. The end floor sheet is flanged across the car to take the bottom edge of the end sheet. Reinforced slots are punched in the end sheets at diagonally opposite corners of the car to serve as escape ladders from inside the car.

The ends are connected at the sides of the car by

continuous rolled Z-section side-plate members. These side plates are supported and spaced across the car at the center by a full double-sheathed partition. Two additional spacers are placed between the side plates halfway between the partition and the ends of the car.

Each side is made up of two swinging doors, hinged at the top on the side plate and extending from the center partition to the end of the car. Each swinging door is carried on four cast-steel hinges, and carries two pocketed castings at the bottom, or closing edge which, when the door is closed, nest over cast lugs welded to the side sill. These castings resist longitudinal motion of doors due to draft or buff. The doors are held closed by latch hooks which work against flanges on the nesting castings.

### Operation of Swinging Doors

Each swinging door carries a built-in sliding door with bottom rollers, covering a 4-ft. 6-in. door opening. The sliding doors can be opened by a pinch bar working in a series of holes in the bottom member of the swinging door in case they are jammed by the lading.

The operation of the swinging-door latch hooks can be accomplished either manually or automatically. Hooks are connected by adjustable links to levers on rotating shafts, one shaft on each side of the center sill. Each shaft is continuous, operating all latches on the side of the car which it controls. In automatic operation on the dumper a plunger, working against a return spring, is pushed up by a tripping device. This plunger rotates one of the shafts, thus releasing both doors on one side of the car. Since there are two plungers, one on each side of the car, this plunger rotates one of the shafts, thus releasing both one side only, dumping is selective as to direction, so that the cars may still operate on the one-direction dumper even though they are turned around in handling.

For manual operation, each shaft can be rotated by a linkage from a lever which is normally locked in a vertical position outside the car at the center partition. There are two such levers, one on each side of the car. As a safety measure, each lever releases only the door on the opposite side of the car so that lading cannot be dumped on the operator.

Combination jacking pads and hold-down brackets are located at each end of each bolster. Hold-down brackets are engaged by a removable pin to restraining mechanisms built into the car dumper, thus locking the car to the rails during unloading.

The trucks are unit type with cast-steel bolsters and double-truss frames, roller side bearings and chilled wheels. The springs are A. A. R. D-2 groups with top and bottom plates.

Safety devices meet I.C.C. requirements, and include side and end ladders. Since swing doors extend the full length of the car, the side ladders are attached to the swing door with the exception of the top grab iron, which is on the side plate. Roping staples are applied at the bottom of each side sill, near the center of car.

The brakes are of conventional AB type, with truck connections passing through the bolster. The cars are braked at approximately 20 per cent of the gross rail load of 169,000 lb., based on 50-lb. pressure in a 10-in. by 12-in. brake cylinder. The train line and retainer line are welded to diaphragms through which they pass.



The car as the load is about to be dumped

### Principal Dimensions and Weights of Bangor & Aroostook Pulpwood Cars

Length over strikers, ft.-in. ....	48-6
Length of truck centers, ft.-in. ....	37-6
Length inside at end plate, ft.-in. ....	46-6 <sup>3</sup> / <sub>8</sub>
Length inside at floor, ft.-in. ....	44-6 <sup>3</sup> / <sub>8</sub>
Length inside compartment, ft.-in. ....	22-9
Thickness of center partition, ft.-in. ....	0-6 <sup>3</sup> / <sub>8</sub>
Width, maximum (at sliding door roller pins) ft.-in. ....	9-9 <sup>7</sup> / <sub>8</sub>
Width over side sills, ft.-in. ....	8-6 <sup>3</sup> / <sub>8</sub>
Width inside, ft.-in. ....	8-7 <sup>1</sup> / <sub>4</sub>
Height over all from rail, ft.-in. ....	11-0
Height, rail to top of floor, ft.-in. ....	3-6 <sup>1</sup> / <sub>8</sub>
Height inside to top of side and end plates, ft.-in. ....	8-3 <sup>3</sup> / <sub>8</sub>
Wheel diameter, in. ....	0-33
Journal size, in. ....	5 <sup>1</sup> / <sub>2</sub> by 10
Coupler height, ft.-in. ....	2-10 <sup>1</sup> / <sub>2</sub>
Light weight, lb. ....	56,000
Loaded weight, lb. ....	169,000
Load capacity, lb. ....	113,000
Capacity, cu. ft. ....	3,206
Truck centers, ft.-in. ....	37-6
Truck wheel base, ft.-in. ....	5-6
Clear door opening, ft.-in. ....	4-6

### Partial List of Specialties on Bangor & Aroostook Pulpwood Cars

Couplers; yokes; truck frames and bolsters; journal-box lids; center filler	Symington-Gould Corp., Rochester, N. Y.
Coupler release rigging	Standard Railway Equipment Manufacturing Co., Hammond, Ind.
Draft gear	W. H. Miner, Inc., Chicago
Draft key retainer	Illinois Railway Equipment Co., Chicago
Air brakes	Westinghouse Air Brake Co., Wilmerding, Pa.
Brake regulator	Royal Railway Improvements Corp., Wilmington, Del.
Hand brake	Universal Railway Devices Co., Chicago
Brake jaws; truck levers; truck connection	Schaefer Equipment Corp., Pittsburgh, Pa.
Brake beams; brake-shoe keys	Buffalo Brake Beam Co., New York
Brake shoes	American Brake Shoe Co., New York
Truck brake arrangement	Unit Truck Corp., New York
Journal bearings	Magnus Metal Corp., New York
Dust guards	Ajax-Consolidated Co., Chicago
Truck springs and plates	Union Spring & Manufacturing Co., New Kensington, Pa.
Side bearings	A. Stucki Co., Pittsburgh, Pa.
Wheels	Griffin Wheel Co., Chicago
Brake step	Acex Railway Products Co., Chicago
Defect-card holders	Western Railway Equipment Co., St. Louis, Mo.



Marion J. Wise

## Marion J. Wise, Central of Georgia President, Dies

**M**arion J. Wise, whose death on April 26 was reported on page 66 of last week's *Railway Age*, had been president of the Central of Georgia since June 28, 1948. He was born in St. Louis, Mo., on August 16, 1883, and, in 1901, after study at public and high schools and business college he entered railroad service as a clerk in the general freight traffic office at St. Louis of the Mobile & Ohio (now part of the Gulf, Mobile & Ohio).

From 1903 to 1907 he served at Mobile, Ala., as secretary to the general manager and chief clerk to superintendent of transportation. During the subsequent four years he was chief clerk to the general manager, also at Mobile. In 1911 he joined the Southern Railway in Mississippi (now the Columbus & Greenville), as superintendent at Columbus, Miss. Two years later he returned to Mobile as assistant to the general manager of the M. & O. and the Southern in Mississippi. In 1918, during government operation of railroads, Mr. Wise was made staff officer at Mobile in charge of operations of the M. & O., the Southern in Mississippi and the Gulf, Mobile & Northern (now part of the Gulf, Mobile & Ohio). From 1920 to 1923 he served, in Washington, D. C., as a member of Labor Board No. 3, and assistant director, Division of Purchases, and manager, Department of Materials and Supplies, with the United States Railroad Administration.

### Railroad Executive Positions

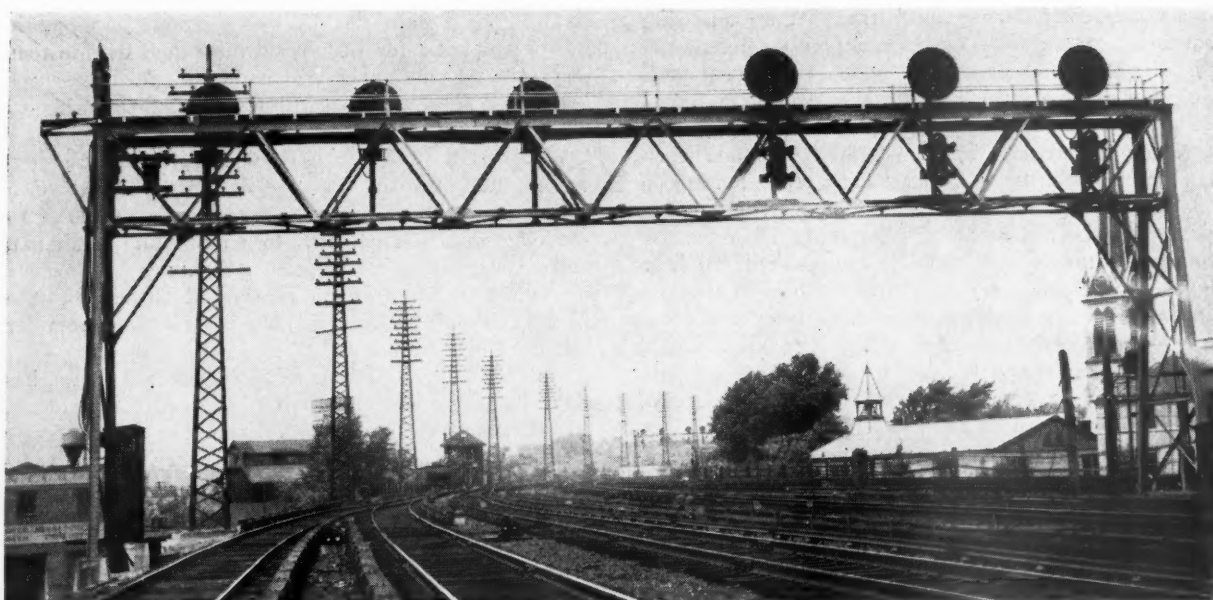
Mr. Wise in 1923 became an officer on the staff of the president of the Southern Pacific at San Francisco, Cal. He was transferred in the same capacity two years later to Houston, Tex. From 1926 to 1932 he was assistant to the vice-chairman at New York, and in the latter year he returned to San Francisco as assistant to the president. On October 1, 1943, he joined the Central of Georgia as vice-president, development, and president of that road's subsidiary Ocean Steamship Company. Promoted to executive vice-president of the C. of Ga. on October 21, 1947, Mr. Wise, as chief executive officer of the trustee, had general jurisdiction over all departments of the railroad. He held this position until his election to the presidency.

The original Central of Georgia Railway Company, which was incorporated on October 17, 1895, as successor to six predecessor railroads, went into receivership on December 19, 1932, and on August 9, 1940, two trustees were appointed by the court to operate the property. On January 28, 1944, a proposed plan of reorganization was filed. The plan called for reducing capitalization from about \$112,000,000 to \$84,000,000 and reducing annual fixed charges from \$3,350,000 to \$610,000. An Interstate Commerce Commission examiner in November, 1944, recommended a plan that, except for reducing capitalization to \$68,000,000, was similar in most respects to that filed by the trustee. A plan the same as the trustee's, except for minor changes, was approved by the commission on November 6, 1945, and by the district court in June, 1946. (See *Railway Age* of July 21, 1945, page 113, and November 24, 1945, page 879.) The plan was confirmed on July 15, 1947, and became effective July 1, 1948.

### The Financial Picture

During 1949 the C. of Ga. operated an average of 1,815 mi. of road, mostly in Georgia and Alabama. The main line runs from Savannah, Ga., to Atlanta, and, via Griffin, Ga., to Chattanooga, Tenn. Another line extends from Macon, Ga., to Birmingham, Ala., and Montgomery, via Columbus, Ga. Operating revenues last year totaled \$34,866,066, compared with \$37,805,609 in 1948. Operating expenses were \$31,729,909, compared with \$32,878,687. Fixed charges amounted to \$589,107, compared with \$2,921,053. (Fixed charges in the first six months of 1948 were \$2,623,376, and in the last six months, \$297,677.) The net deficit after fixed and contingent charges was \$582,386, compared with a net deficit of \$1,021,030.

Earnings were adversely affected in 1949, the road's annual report said, by sharp declines in freight and passenger traffic. "Three principal causes contributed to these declines," the report added. "The general falling off in business all over the country; the coal and steel strikes; and further inroads made on our freight traffic by greater truck competition. Also, expenses were increased by higher wage rates that became effective in late 1948, together with increased expenses resulting from establishment of the 40-hour week on September 1, 1949, for non-operating employees, and prices for the principal items of material used were also greater in 1949 than in 1948. All of this required a rigid economy consistent with service that would not adversely affect the highly competitive situation with respect to securing traffic."



Position-light signals are installed on the Long Island's multiple-track commuter lines. The railroad's high traffic density requires closer-than-normal spacing of signals

## How Safe Can a Railroad Be?

By GARDNER C. HUDSON

News Editor, *Railway Age*

*Long Island's quarter-century record refutes criticism arising from Rockville Centre collision*

**B**etween August 13, 1926, and February 17, 1950—23 years, six months and four days—over 2 billion, 300 million passengers—more than the entire population of the world—traveled on the Long Island Rail Road. Not one of them lost his life as a result of a train accident.

But on the latter date, two Long Island commuter trains collided on a temporary gantlet track just west of Rockville Centre, N. Y., causing the immediate or eventual death of 29 passengers and 2 employees and the injury of 124 passengers and 34 employees. The Interstate Commerce Commission, in its official report, ascribed the accident to "failure to operate the east-bound train in accordance with signal indications"; all the evidence indicated that that train, although it was in charge of an experienced motorman, had run by a "stop" signal protecting the west end of the gantlet. (See *Railway Age* of February 25, page 56, and April 1, page 63.)

Certain sections of the popular press, ignoring the railroad's previously excellent safety record, have, since the accident, castigated not only the Long Island for alleged indifference to safety considerations, but have carried their criticism to other railroads providing sub-

urban passenger service in the New York area—conveying the impression that safety measures on these other roads, also, are substandard and inadequate.

### **Gantlets Standard Practice**

It has been said, in particular, that the Long Island should have installed temporary double tracks instead of a gantlet track during the progress of grade separation work at the point of the February 17 collision. If the accident could have been foreseen, that would undoubtedly have been done. But gantlets are a standard and accepted device for carrying double tracks either permanently or temporarily over bridges, through tunnels or past other points of limited clearance. They have been safely used for many years at many locations, for example, in two tunnels at Pittsburgh, Pa. They are, in effect, like any temporary constriction of a double-track line into a single track, which is also normal operating practice at certain locations or for certain purposes, as, for instance, at a grade crossing elimination project now under way on the main line of an important New Jersey commuter road. Both in principle

and in effect, a gantlet track is identical with, and no more inherently dangerous than, the annoying "squeezes" where New York's multi-million-dollar system of automobile parkways suddenly narrows down from four, three or two lanes to three, two or even one.

The Rockville Centre grade separation is being done in restricted territory, where a gantlet or single track was the only alternative to purchasing land abutting on the railroad right-of-way. That land—assuming that it could have been bought at all—would have become completely useless once the job was finished. To have required purchase under such circumstances of land for temporary double-tracking would have been, according to a letter recently published in the New York Herald Tribune, "like forcing the city or state to build a full-fledged concrete detour on or around every piece of road being repaired or reconstructed."

The state, which is participating in the grade separation work, approved, both through its Department of Public Works and its Public Service Commission, the use of the temporary gantlet. And the railroad protected it, with full Interstate Commerce Commission approval, by a 30-m.p.h. speed limit, and by interlocked distant and home signals at both ends—precautions which have kept it in continuous use by thousands of trains from April, 1949, to the present without accident, except on the night of February 17.

The railroad has been further criticized for not having installed brake "trippers" through the gantlet. But the Nassau County grand jury which investigated the accident derided the use of such a device on the ground that it can be "keyed out," and therefore offers no real protection.

### **The Long Island's Actual Record**

*Railway Age* recognizes, as do all railroad men, that there is necessarily a certain calculated risk in any form of railroad operation, just as there is in any human activity. There is risk—and there are regrettable accidents—in the operation of airplanes, of trucks, of buses, of

private automobiles, of elevators and bicycles and kiddie cars. There is even risk in walking down a flight of stairs—and not a few people have lost their lives in that very way. As this paper said editorially in its issue of March 4, "There is no such thing as complete safety to be found anywhere this side of the grave."

But, certainly so far as their passengers are concerned, the railroads as a whole, through their own efforts and at their own expense, have come closer to reducing this inherent risk to an absolute minimum, and to achieving safety perfection, than any other agency of public transportation. Figures published by the National Safety Council (Table 1) leave no room for doubt on that score.

And the Long Island, as its 23-year record shows, has done its full share, as a part of the railroad industry, to contribute to that record. Excluding the Rockville Centre wreck, its showing for 23½ consecutive years was "No passengers killed in train accidents"—a record which, being perfect, could not have been improved. Even including the recent tragedy, its near quarter-century average becomes only one passenger death every nine months—or one for every 75 million passengers carried!

Table 2, based on official I.C.C. reports, compares the record of train accidents and of casualties to persons in train accidents on the Long Island and on all railroads in the Eastern district for the 10 years 1939 through 1948—the latest year for which complete official figures are available. In nine of those 10 years, the report shows, the Long Island had fewer train accidents per million locomotive- and motor-train-miles than the average for the district as a whole; in six of the 10 it had fewer resulting casualties. In each case its accident trend has closely followed that of Eastern district roads as a group—a gradually rising rate during the war and immediate postwar years, followed by a sharp drop in 1948, which, unofficial figures indicate, was continued through 1949.

Such a record is a combination of many factors—some mechanical, some human—of which the public and portions of the press are either not aware, or which they quickly forget in the emotional impact of so rare an event as a serious railway wreck.

### **Mechanical Safety Factors**

The Long Island operates approximately 400 miles of line from New York City to Greenport and Montauk at the eastern end of Long Island. Its operations and



Left—The Long Island, at the end of 1948, had 382 locomotives and multiple-unit power cars equipped with cab signals—more than any other railroad except one in the United States

Facing page—This grade separation structure, carrying the Long Island over Southern Parkway near Aqueduct, N. Y., is one of 463 on which the L. I. has been required to spend approximately \$43 million since 1897. Tax-built, toll-free, multiple-lane parkways, of the type shown here, crisscross the railroad's commuter territory and have been major factors in the repeated deficits which forced it into receivership in 1949

New York City Park Department photo

traffic, however, are overwhelmingly concentrated at its western end, in the New York boroughs of Brooklyn and Queens, and in suburban Nassau county, where its lines are electrified and where most of its passenger operations are conducted by multiple-unit power and trailer cars. It is the only Class I railroad in the country which depends principally on passenger business; in 1949, 68 cents out of every dollar of its gross revenue came from that source, and roughly half of that from commutation traffic.

The Long Island is heavily multiple-tracked. All passenger-carrying lines in the United States, according to the 1948 annual report of the I.C.C.'s Bureau of Safety, have an average of 1.21 mi. of main running track for each mile of line. But the Long Island's system average is 1.55, and its commuter-territory average 2.15—nearly double the national figure. In commuter territory, in other words, for each mile of first main track the L.I. has 1.15 mi. of additional running track, not counting yard track or sidings.

Its line from Jamaica to Pennsylvania Station has four or more tracks, and all other commuter lines are at least double-tracked, except for the outer ends of a few branches, e.g., from Great Neck to Port Washington, 4.2 mi., Locust Valley to Oyster Bay, 4.0 mi., and Garden City to Hempstead, 1.6 mi. Schedules are so arranged that these few short sections of single track are never occupied at the same time by opposing trains. There are, in other words, no single-track meets in commuter territory.

The Long Island's passenger lines are completely block-signaled. The average length of its block-signal sections, again according to the 1948 report of the I.C.C. Bureau of Safety, is 0.348 mi.—about three blocks per mile of line. On passenger-carrying lines in the United States as a whole, according to the same report, the average length of block sections was 0.859 mi.—only a little more than one block per mile of line. Signal spacing, of course, is determined by many factors; a high-density line like the Long Island might normally be expected to have signals closer together than a line

Table 1—Passenger Deaths per 100,000,000 Passenger-Miles

	Passenger auto-motiles and taxis	Buses	Railroad pas-senger trains	Scheduled air transport planes
1946-48	2.3	0.20	0.16	1.9
1948	2.1	0.18	0.13	1.3
1947	2.3	0.21	0.16	3.2
1946	2.5	0.19	0.18	1.2
1945	2.9	0.17	0.16	2.1
1944	2.9	0.22	0.26	2.1
1943	2.7	0.22	0.31	1.4
1942	2.7	0.23	0.17	3.8
1941	4.0	0.24	0.14	2.3
1940	3.5*		0.34	3.1
1939	3.7*		0.14	1.2
1938	3.9*		0.36	4.5

Source: National Safety Council

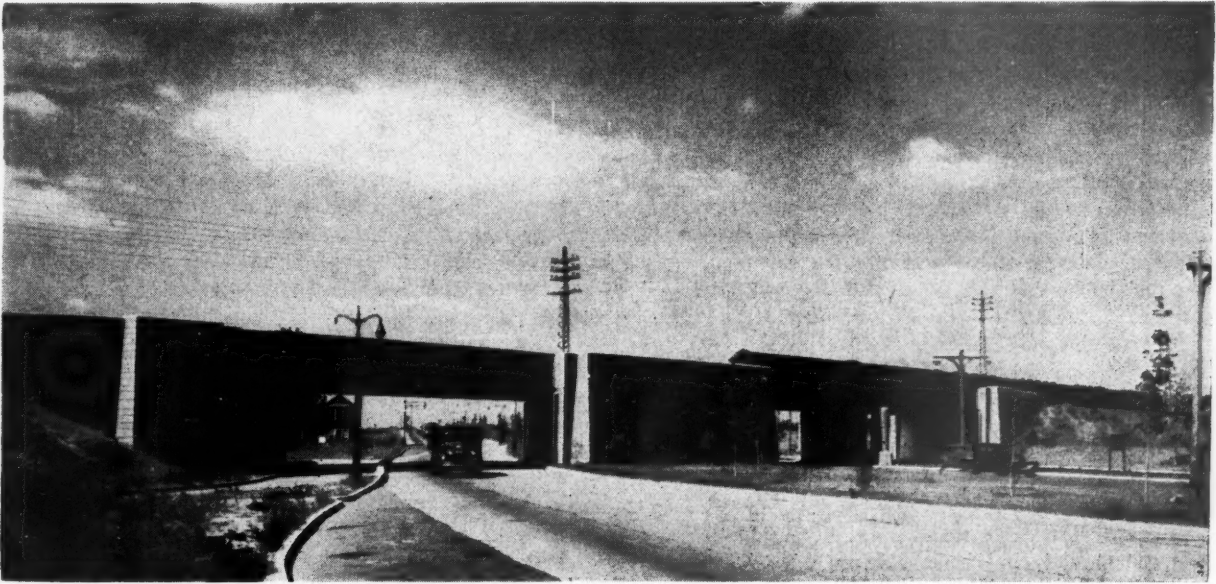
\*Automobile and bus figures combined prior to 1941.

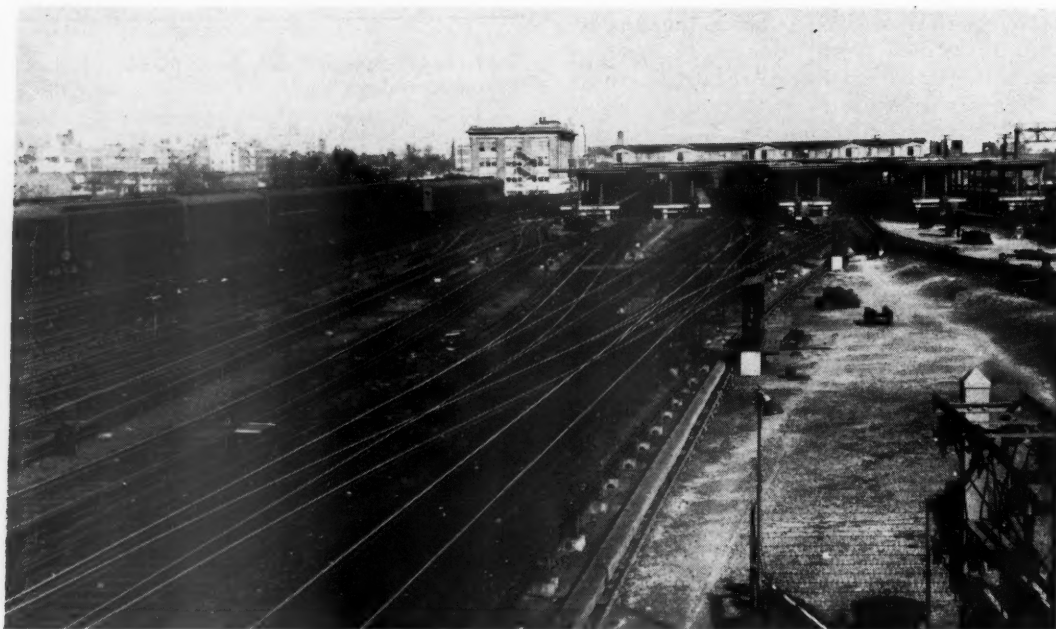
Table 2—Train Accidents and Casualties to Persons in Train Accidents

Year	Train Accidents (Per million locomotive- and motor-train-miles)		Casualties to Persons in Train Accidents (Per million locomotive- and motor-train-miles)	
	Long Island	All roads, Eastern district	Long Island	All roads, Eastern district
1939	1.65	5.82	0.11	0.98
1940	2.05	6.49	1.25	1.92
1941	2.73	7.55	1.14	1.71
1942	5.42	9.10	1.08	1.24
1943	6.43	10.40	3.62	2.53
1944	8.79	10.49	0.98	1.44
1945	11.18	12.04	2.67	2.22
1946	10.46	12.27	9.77	2.21
1947	17.62	13.29	9.21	1.81
1948	9.53	9.56	0.73	1.47

Source: Accident Bulletins, Bureau of Transport Economics and Statistics, I.C.C.

carrying fewer trains. These figures, therefore, do not indicate any disregard of safety by other railroads, but they do show that the L. I., in its own signal installations, has taken proper account of its particular operating conditions by spacing signals close enough together





This network of track, serving the Long Island's station at Jamaica, N. Y., is one of the busiest stretches of railroad in the world during morning and evening rush hours

to permit safe operation of many trains on short headways.

Again according to I.C.C. 1948 figures, wayside signals on 44.1 mi., or 13.1 per cent of all L. I. passenger lines, are repeated (with warning whistles which sound if the train passes a signal which displays a less favorable aspect than the one under which it was operating) in the cabs of 382 locomotives and motor cars; only one other railroad, the Pennsylvania, has more units so equipped. In addition, 785 L. I. locomotives and motor cars have automatic train control for operation on the company's heaviest traffic lines; only two other railroads—both much larger—had more units equipped with a.t.c. as of the end of 1948.

### **Human Factors in Safety**

In addition to its intensive use of such mechanical aids to safety as multiple track, automatic block and cab signals and automatic train control, the Long Island has not overlooked the human element. Like other railroads, it prescribes and enforces a rigid program of physical and technical examinations and of technical instruction for its engine-service employees, including motormen on its multiple-unit trains—a program which is generally similar to those in force on other railroads.

Applicants for engine-service jobs are first interviewed by the road foreman of engines, and upon approval are referred to the medical department, where they must pass a rigid physical examination by qualified physicians. This includes requirements usually covered in insurance examinations, plus a rigid examination in sight, color sense and hearing. After approval by the medical examiner, applicants receive written and oral instruction on safety, operating, signal and interlocking rules; general timetable and special instructions, and use of air brakes and locomotive machinery.

After six months in service, a fireman is required to pass a successful oral examination on rules, plus supplemental and special instructions, and thereafter, throughout his entire service as fireman or engineman, must pass a reexamination on these rules every three years. At yearly intervals during his first four years of service, a fireman must pass separate examinations on air brakes and locomotive machinery, a total of eight examinations. To pass, he must answer correctly 80 per cent of all questions asked during the first three years, and 85 per cent the fourth year. He is reinstructed and reexamined on any questions answered incorrectly before being promoted.

To be eligible for promotion to engineman an employee must have the equivalent of at least 528 days' experience as a fireman, or about two years of such service, but because of seniority ratings it is usually about seven years before he actually works as an engineman, during which period he increases his experience as a fireman.

### **Enginemen Examined Regularly**

Firemen and enginemen under the age of 40 are required to pass physical examinations every two years; those over 40, once a year. At the time of his promotion to engineman, an employee must pass a special physical examination in addition to and notwithstanding previous physical examinations as a fireman. Any engineman discovered to be suffering from any ailment affecting his normal efficiency is required to submit to special periodic physical examinations at more frequent intervals, as may be deemed necessary by the medical examiner. Enginemen discovered to have any disabling ailments are not permitted to perform service again until fully recovered.

Reexamination on operating rules and supplemental

and special instructions is also required at the time of promotion from fireman to engineman. After his promotion an engineman is not allowed to go into road service until he has successfully passed an examination on physical characteristics, including location of signals, switches, stations, grades, curves and restrictions of all kinds over the entire railroad. Enginemen are required to be reinstructed and reexamined every two years on use of air brakes.

In addition to these standing requirements, the Long Island, again like other railroads, keeps the subject of safety constantly before its employees through bulletins, posters, special instructions, articles in its monthly employee magazine—a good third of which is regularly devoted to safety—and in various other ways.

As the record shows, such attention to mechanical and human factors alike has resulted in safe transportation for hundreds of millions of passengers. And it certainly does not indicate any neglect of proper safety precautions, either mechanical or human, on the part of the Long Island's management or employees.

### Safety Is Expensive

The Long Island's safety record has been achieved in spite of the financial difficulties which the road has constantly faced. *It has not been a question of weighing money against human life, or of pinching pennies where safety is concerned.* But after employees have been paid, and necessary fuel, materials and supplies have been purchased, and the tax collector has taken his cut, the railroad has simply not been able to make ends meet.

**Table 3—Net Income or Deficit, After Taxes and Fixed Charges, Long Island Rail Road**

	Net Income	Net Deficit
1940	.....	\$1,216,116
1941	.....	1,290,686
1942	.....	15,047
1943	\$2,593,419	.....
1944	983,280	.....
1945	857,579	.....
1946	.....	1,188,076
1947	.....	3,996,173
1948	.....	6,016,680
1949	.....	5,208,289
10-year total	\$4,434,278	\$18,931,067
		4,434,278
Total 10-year deficit		\$14,496,789

As Table 3 shows, the property has been operated at a net loss, after taxes and charges, in seven of the past 10 years; its average deficit for that entire period, even including the relatively prosperous war years, has been almost \$1.5 million per year. No railroad, or any other business, can long continue to operate under such conditions; the Long Island did, in fact, go into bankruptcy on March 2, 1949.

The reasons for its financial difficulties are not hard to find. It operates, in the first place, under the same disadvantages which presently affect all railroads—particularly the disproportionate increase in wages, prices and taxes as compared to increases in rates. As a predominantly commuter line, it suffers from the particular disadvantages which presently afflict all urban passenger-carrying facilities, from railroad commuter services to city transit systems—the necessity of providing fre-

quent service for short-distance riders at reduced rates, of maintaining trackage and equipment for short periods of peak traffic, and of operating expensive facilities in high-cost areas.

The Long Island suffers particularly from competition from city-owned city subways which, with their bus feeders, parallel a large proportion of its lines; and from the relatively new system of multiple-lane express parkways which crisscross its territory and present, to many of its potential riders, an irresistible temptation to use automobiles in their daily commuting. Because its operations are essentially local, it is particularly subject to criticism by local politicians, apparently on the theory that an attack on any public service corporation with a multitude of personal contacts is an attack which deals with a situation wherein the audience has some experience; and always some imperfection can be found to object to.

### Grade Separation Costs Money

Because it operates in densely populated territory, the Long Island has also been subjected to heavy charges for grade crossing elimination. Between 1897 and 1938, 50 per cent of the cost of such work was paid by the railroad, 49 per cent by the state and 1 per cent by the county or local community. In those years, the Long Island spent \$37,500,000 as its share of the cost of eliminating 389 grade crossings. As of January 1, 1939, the law was changed to provide that "railroad companies will pay net benefits not to exceed 15 per cent of the total cost of the work excluding incidental improvements." Under that law the railroad has a contingent liability of up to 15 per cent of \$38,500,000 spent for elimination of 74 additional grade crossings completed between January 1, 1939, and January 20, 1950, plus an additional contingent liability for work on still other crossings now being eliminated.

The present trustees are making a determined effort to reduce expenses and to provide better service through Dieselization, new double-deck coaches, and other means. Their task would be far easier if they had available the difference—at least \$26 million—between what the railroad spent on crossing elimination prior to 1939 and what it would have been required to spend on the same projects under present law.

### What of the Future?

The record of the Long Island indicates that it has not neglected safety. Considering the difficult and sometimes seemingly impossible conditions under which it is required to operate, it has long provided safe, dependable transportation for millions of people, at low rates. It can continue to do so—if its patrons will pay rates which will enable it to earn a fair return; and if political and regulatory authorities and the public press will cease to consider it as "fair game" for any form of reckless and ill-founded criticism; and begin to think of it instead as a useful public utility, providing a necessary service, and operated by men who are sincerely trying to do a good job, and who deserve, in their efforts to do the very best job possible with the means available, not hasty condemnation but thoughtful cooperation.

# Timber Treatment—Benefits and Progress

*Forty-sixth annual meeting of Wood Preservers at Houston, with many railroad men present and active, brings out advantages to users, and advances in treating techniques*



J. S. Giddings (A. T. & S. F.), president, A. W. P. A., addressing the meeting at the opening session

Concrete evidence of the economic value of timber preservation to the railroads, warnings that there is need for application of forest conservation measures on a still wider scale than at present, and indications of continued advancement in the materials and techniques for making wood last longer—these were the highlights of the forty-sixth annual meeting of the American Wood-Preservers' Association, which was held at the Rice Hotel, Houston, Tex., April 25-27. With 515 members and guests in attendance, the meeting involved the presentation and consideration of 32 committee reports and 17 addresses, many of direct or indirect interest to railroad men, a large number of whom were present in the capacities of both timber treaters and users of treated timber.

Many of the railroad men were active participants, as officers of the association, as chairmen and members of committees, and as authors of papers dealing with the railroads' experiences with treated timber. The president of the association this year is a railroad

man — J. S. Giddings, assistant manager, treating plants, of the Atchison, Topeka & Santa Fe. Still others were active as chairmen or coordinators of specific sessions. For instance P. D. Brentlinger, forester of the Pennsylvania, Philadelphia, Pa., was chairman of one session, in place of J. B. Akers, chief engineer of the Southern, Washington, D. C., who was scheduled to act as coordinator but was unable to be present. G. B. Campbell, tie and timber agent of the Missouri Pacific, St. Louis, Mo., was coordinator of another of the sessions.

## **Rapid Growth in Membership**

Figures showing that the association has grown rapidly since the war were given in an address at the opening session by President Giddings. Whereas the association had 945 members on April 1, 1946, it now has 1,473, said Mr. Giddings. Noting that management of forest lands and conservation of timber resources would be discussed at some length, during the meeting, Mr. Giddings emphasized the increasing interest the railroads are showing in forestry. Examples, he said, are the 14,000-acre model forest established by the Southern 25 years ago, and the fact that several railroads are active supporters of the "Keep America Green" program sponsored by the American Forest Products Industries. Further, he said, the Illinois Central and the Chicago & North Western have developed machines for planting trees for use by farmers and other landowners in their territories, the Northern Pacific has five tree farms embracing a third of a million acres, and the Atlantic Coast Line owns a 76,000-acre tree farm in Florida.

## **Foresters Urge Conservation**

The timber supply in the United States and means of conserving it to assure an adequate supply for the future were discussed in two papers presented at the meeting. In the address of welcome, delivered at the opening session by L. L. Bishop, executive secretary of the Texas Forestry Association, he pointed out that in 1946, the latest year for which figures are available, the drain on the nation's forests, considering timber of all sizes, exceeded growth by 16 per cent, and that, considering timber of saw log size only, the drain was 75 per cent greater than growth. Members of the A.W.P.A.—and the railroads—can help to correct this situation, said Mr. Bishop, by giving positive support to the forest conservation program

of the nation as a whole; by cooperating with the state forestry services and associations and the "tree farm" and "keep green" programs; and, where it is practicable and profitable to do so, by owning an area of forest land and, through the services of a trained forester, using it as a demonstration of good forest management.

The other paper on this subject was presented by A. D. Folweiler, director of the Texas Forest Service. While there are no prospects of any important shortages of timber available to the wood preserving industry in the immediate future, he observed, the cost of timber procurement for wood preservation is likely to increase in the South. In Mr. Folweiler's opinion the "wood preserving industry could well afford to take some definite steps to see that suppliers of forest products acquire pine timber in a manner conducive to the continued production of pine."

### **Benefits to Railroads**

Railroad experiences with creosoted timbers for specific purposes were described in papers prepared for presentation at the meeting by two railroad engineering officers. One paper, by H. J. McKenzie, chief engineer of the Texas & New Orleans, dealt with the results his road has obtained with the open-deck,

packed-chord type of creosoted timber pile trestle. This design derives its name from the fact that the timber stringers comprising the chords are placed tightly against each other and bolted together, instead of being separated a few inches as in conventional construction. Mr. McKenzie said the packed-chord design was developed on his road in the early Thirties as the result of extensive studies aimed at finding a type of construction for use in replacing existing open-deck and ballast-deck trestles as they come up for renewal. Since 1932 this company has replaced approximately 235,000 linear feet with the packed-chord construction, and at present is maintaining about 379,000 lin. ft. of timber trestling of different types.

According to Mr. McKenzie, the packed-chord trestles are expected to have a service life of 30 to 35 years—about the same as ballast-deck structures. Indications are, he said, that the cost of the packed-chord trestles is averaging \$65 per foot as compared with \$80 for ballast-deck bridges. Three claims can be made for bridges of the latter type, he said, which may be considered as advantages over the open-deck type—they present less fire hazard, more uniform track-riding conditions can be maintained, and maintenance of line and surface can be handled by track forces instead of by bridge mechanics.

In Mr. McKenzie's opinion, however, the packed-

W. E. Gadd (Taylor-Colquitt Co.), R. A. Collier (A. T. & S. F.), N. A. Richardson (United Kingdom Forestry Service, Great Britain), M. S. Hudson (Taylor-Colquitt Co.), W. W. Barger (A. T. & S. F.)



R. R. Clegg (American Lumber & Treating Co.), C. D. Turley (I. C.), O. P. Sherrod (K. C. S.), R. Lumpkin (C. R. I. & P.)





A. S. Daniels (T. & N. O.), R. M. Alpin (S. P.), V. M. Kysh (S. P.)

chord trestle, in addition to its lower cost, has far more advantages in its favor—namely, a greater waterway opening can be provided with the same top-of-rail elevation; it is easier to repair and to inspect; it can withstand floods in which water flows over the deck to a depth of several feet; and it is highly resistant to damage during derailments.

Comparing the packed-chord design with conventional open-deck construction, Mr. McKenzie said that the bolted, laminated stringers develop more strength and rigidity; the packed-chord trestle stay tight and require less tightening of bolts; the need for inspecting the stringers is eliminated; they will pass drift during high water more readily than open-deck bridges; 8-ft. ties can be used instead of the 9-ft. ties required on 4-ply open decks; and the packed-chord construction is much slower burning in case of fire.

Concrete firewalls are provided in the longer trestles on his road, said Mr. McKenzie, and a method of fireproofing the surfaces of ties and timber guardrails is also being widely used. Although several fires have been experienced in packed-chord trestles, one has yet to be damaged to the extent that trains could not pass over it after a few ties had been replaced, he asserted.

#### **Crosstie Renewals on the M.P.**

Some rather startling data on the benefits the railroads are realizing through the use of treated ties were contained in the other "railroad user" address, which was prepared by W. J. Burton, assistant to chief engineer of the Missouri Pacific, St. Louis, Mo. The first part of Mr. Burton's paper, which was entitled "Treated Wood on the Missouri Pacific Railroad," consisted of a brief history of the use of treated wood on this road. Even though the Missouri Pacific serves a territory in which timber supplies are plentiful, experiments were first started with treated timber as early as the 1880 decade.

Beginning with the earliest construction in 1851, said Mr. Burton, track ties were of untreated white oak. Much later, when difficulty was first experienced in obtaining such ties in sufficient quantities, the

road began to use red oak ties with zinc chloride. This practice was started about 1911. Partial renewals with creosoted ties were begun in 1922, and for the following eight years both treatments were in use. In the early Thirties a treatment involving the use of 70-30 creosote-coal tar was adopted, along with the A.R.E.A.-A.S.A. tie specifications "and a very close adherence thereto." During the past quarter century the principal woods used for crossties have been oak, pine, red gum and black gum. Discussing the road's experience with the volume of crosstie renewals, Mr. Burton went on to say:

"The average of renewals for the five years ending with 1910 was 359 per mile. The average tie then cost 55 cents, but in 1948, the total cost for a creosoted tie was \$2.55, of which the tie itself, before treatment, accounted for \$1.70.

"If, in 1948, we were still using 359 untreated ties (per mile), and if these could have been obtained for \$1.70 each, the cost per mile would have been \$610.33. Actually, for the five years ending with 1948, renewals averaged 124 per mile. In 1948, ties cost \$2.55 each, or \$318.20 for the 124 per mile. On the 8,899 miles of crosstie track operated in 1948 this saving totaled \$2,599,465. The assumptions on which this estimate is based are conservative. An increased demand for ties totaling 235 ties per mile for 8,899 miles, or 2,091,265 ties, would certainly have raised the price to much more than the \$1.70, if, indeed, that many additional ties could have been purchased along the Missouri Pacific at any price."

#### **Treated Car Lumber Increases**

Material of interest to railroad men was presented by several of the Recommended Practice committees. This included a tabulation showing the amounts of car lumber treated for use on various railroads during 1949, which was offered as information by the Committee on Recommended Practice for Pressure-Preserved Lumber in Railroad Car Construction. The tabulation revealed that 6,548,267 bd. ft. of lumber was treated for this purpose last year, which represented an

increase of 100 per cent compared with the 3,278,783 bd. ft. treated in 1948. W. P. Arnold assistant to vice-president, Koppers Company, Wood Preserving Division, Pittsburgh, Pa., is chairman of this committee.

Reports of Recommended Practice committees included also a proposed specification for the preservative treatment of crossarms, which was offered as information; a report listing and discussing various solutions or reagents for determining the heartwood and sapwood in various species of wood; a revised glossary of terms used in wood preserving; and a recommended practice for the use of pressure-treated wood blocks for flooring, which was offered as information only this year.

The fire-resistant qualities and slow-burning characteristics of pressure-creosoted piles and timbers in substructures of pier and wharves comprised the subject of a paper by Ralph H. Mann of the association's Service Bureau. Explaining that during the past 20 years he had made careful studies of fires in piers and other waterfront structures built of both untreated and pressure-creosoted piles and timbers, Mr. Mann offered the following conclusions based on these studies:

(1) Pressure-creosoted piles in wharf substructures erected in tidewater are fireproof when the top elevation of the wood members is from one-third to two-thirds the normal tide range above low water.

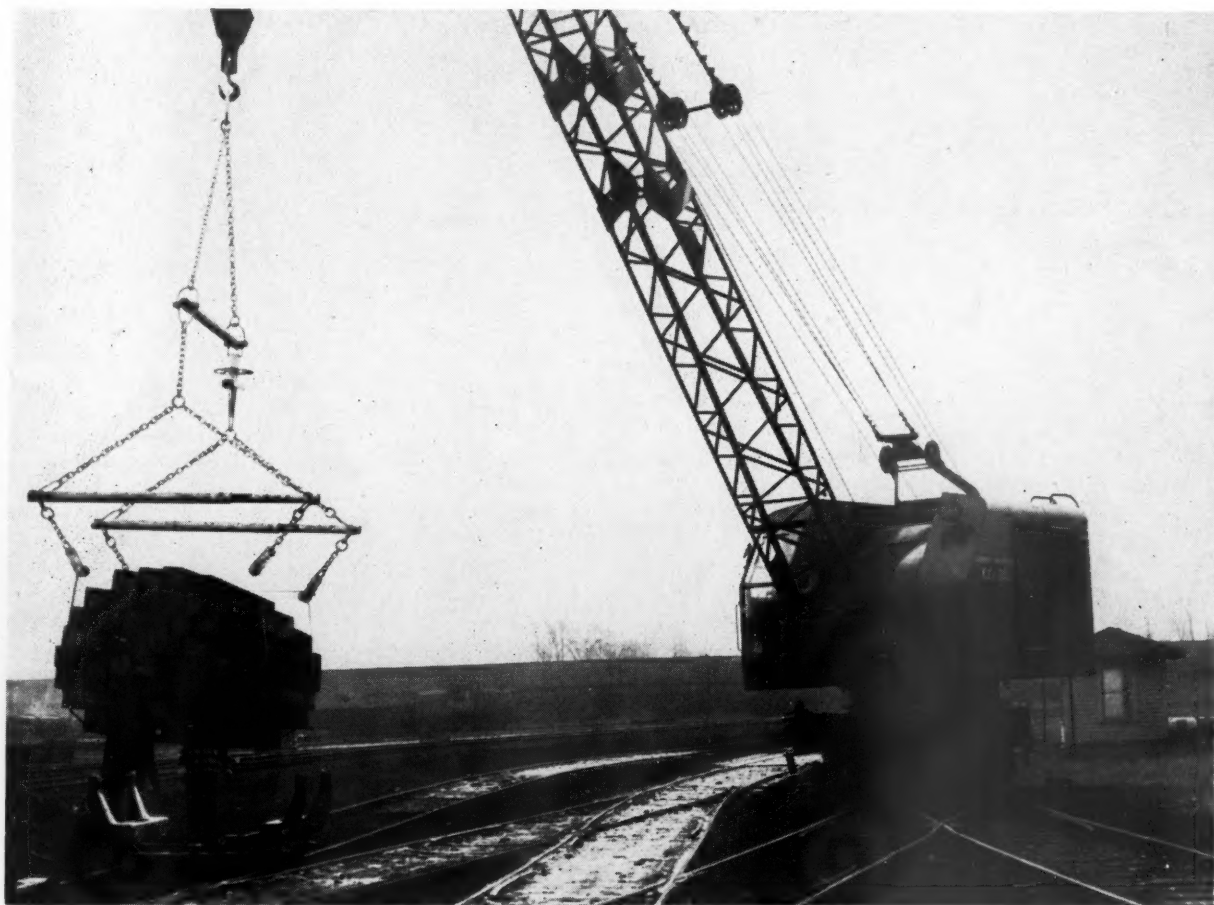
(2) Pressure-creosoted piles and timbers in pier or wharf substructures have definite slow-burning characteristics regardless of the elevation of the tops of the piles or wood members.

(3) Creosoted piles of pier substructure, even after long exposure to fire, do not burn off and permit collapse of the superstructure.

(4) While *freshly* creosoted timber and piles may be more inflammable than untreated material, creosoted timber that has been in place a sufficient time for the more volatile portions to escape is distinctly more fire resistant than untreated wood.

#### Action on Preservatives

Reports of the Preservatives committees contained a number of recommendations involving the standards of the association. Among these was a recommendation of the Committee on Revision of Manual, of which M. S. Hudson, chemist, Taylor-Colquitt Company, Spartanburg, S. C., is chairman, that a new specification for zinc chloride, first presented last year, be confirmed. This recommendation was approved. Also, a proposed new specification for creosote, offered by the Committee on Creosote and Creosote-Coal Tar Solutions, was approved as a tentative specification. W. W. Barger, inspector-chemist, treating plants department, Atchison,



Crossties may now be handled in bundles by steel strapping specially developed for this purpose



R. R. Poux (Erie), Carl Wingerson (Oliver Iron & Steel Corp.)



C. S. Burt (I. C.), L. W. Kistler (St. L.-S. F.)

Topeka & Santa Fe, Topeka, Kan., is chairman of this committee.

The Committee on Non-Standard Preservatives proposed that the Standard Specifications for Petroleum for Use with Pentachlorophenol and Copper Naphthenate be amended to include both a heavy solvent and a light solvent, and also that the Standard Specifications for Oil-Borne Preservatives (pentachlorophenol and copper naphthenate), heretofore a provisional standard, be confirmed. These recommendations were approved. This committee, of which J. C. Vinson, assistant research engineer, Southern Wood Preserving Company, Atlanta, Ga., is chairman, also presented as information considerable data on Celcure, Boliden salt, copperized chromated zinc chloride, and Chemonite. Specifications for chromated zinc chloride, Minolith and Pyresote, previously published as information, were adopted as tentative standards on the recommendation of the Committee on Fire-Retardant Preservatives, of which H. M. Harlow, assistant general supervisor bridges and buildings, Chesapeake & Ohio, Richmond, Va., is chairman.

A feature of the report of the Committee on Tie Service Records was a tabulation giving a record of ties removed from test sections on a midwestern road during the period from 1927 to 1948, inclusive. The tabulation revealed that 27.9 per cent of the ties were removed because of decay, 48.7 per cent because of mechanical wear, 22.5 per cent due to natural defects, and 0.9 per cent for other causes. C. D. Turley, chief tie inspector, Illinois Central, is chairman of this committee.

Among other material of interest to railroad men was a paper by Mr. Hudson on the drying of lumber by the vapor-drying process. This was a comprehensive account of tests involving the use of the vapor process for pre-drying lumber prior to treating it with a water soluble salt (Celcure) and the redrying of the treated lumber. Mr. Hudson stated that the adaptation of the vapor-drying process to the dehydration of general-purpose lumber "has now progressed to a point where sufficient information is available to indicate that it can compete successfully in this field with the conventional processes of air seasoning and kiln drying."

Action taken at the meeting included the adoption of amendments to the provisions of the by-laws governing the method of approving standards of the association. Heretofore the by-laws have required that a proposed standard be voted on by letter ballot for two consecutive years before reaching the status of a full standard. Under the new arrangement a proposed standard offered by a committee will, if approved by a majority vote at the annual convention, be published as a tentative standard in the proceedings, but not in the Manual of Recommended Practice. At the next annual meeting the tentative standard will be confirmed, continued as a tentative standard, or canceled. If confirmed the standard will be subjected to a letter-ballot vote of the membership, and, if the vote is favorable, will become an adopted standard and be published in the Manual.

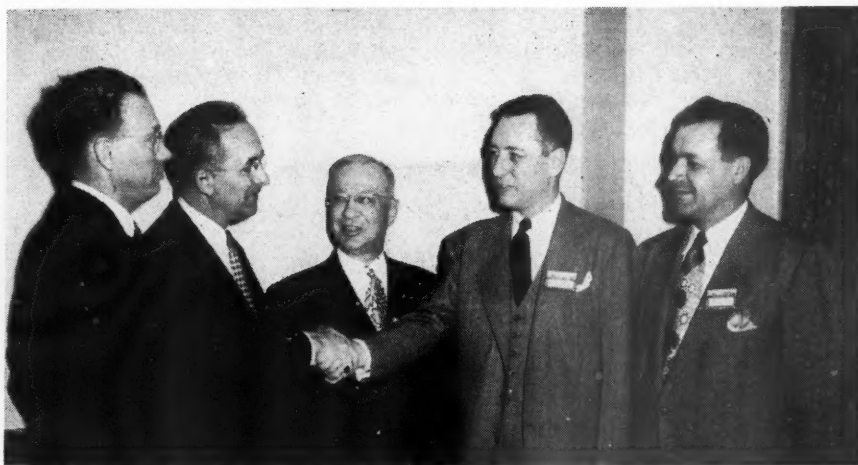
### Election of Officers

In the election of officers, F. W. Gottschalk, technical director, American Lumber & Treating Co., Chicago, was advanced from first vice-president to president; W. R. Yeager, inspection engineer, Western Electric Company, New York, was moved up from second vice-president to first vice-president; R. H. Bescher, manager, technical department, Koppers Company, Orrville, Ohio, was elected second vice-president; H. L. Dawson was re-elected secretary-treasurer; and the following were elected to the Executive committee—G. B. Campbell, tie and timber agent, Missouri Pacific, St. Louis, Mo., and J. F. Renfro, vice-president, Taylor-Colquitt Company, Spartanburg, S. C.

The following were elected to the Nominating Committee: W. R. Goodwin, engineer wood preservation, Minneapolis, St. Paul & Sault Ste. Marie, Minneapolis, Minn.; L. H. Jackson, assistant chief inspector, Southern, Atlanta, Ga.; L. W. Kistler, superintendent treating plants, St. Louis-San Francisco, St. Louis, Mo.; R. E. Myers, vice-president and sales manager, International Creosoting & Construction Co., Galveston, Tex.; Ricker Van Metre, president, Wyoming Tie & Timber Co., Chicago; and J. A. Vaughn, research engineer, Southern Wood Preserving Company, Atlanta, Ga.

Chicago was chosen as the site of the 1951 annual meeting.

J. W. Jarvis (extreme left), supervisor, agricultural development, Union Pacific, and retiring president of A.R.D.A., congratulates the newly elected president, L. P. East, general agricultural agent of the Pennsylvania. Other officers elected to serve the association in its 42nd year are (left to right): H. W. Coffman, industrial agent, New York Central, first vice-president; E. L. Beardsley, director of industrial development, Denver & Rio Grande Western, secretary-treasurer; and W. A. Kluender, forestry and agricultural agent, Chicago & North Western, second vice-president.



## Traffic Developers Meet at Omaha

### **Farm and factory output-potential gets intensive study by development group**

If the public could only attend this meeting and see the work that you railroad people are doing for them, they would soon get over that notion—"the public be damned".

So commented H. L. McKinley, a farmer of St. Ansgar, Iowa, who was a guest at the forty-first annual convention of the American Railway Development Association, held in Omaha, Neb., April 19-21. Comprised of railway agricultural, industrial and real estate agents, with a total membership of nearly 150, the A.R.D.A. represents the railroad industry's interest in the long-range aspects of national production planning; it is the only organization of its kind in the entire transportation industry.

The agricultural, industrial and real estate sections of the organization met in both individual and joint sessions, hearing numerous talks on conditions affecting the nation's production capacity. Population trends, new industries, problems of plant location, water supply, soil conservation and acreage allotment were but a few of the many topics covered, each being followed by a round-table discussion. Excerpts from these discussions follow:

Ten per cent of the land area of the South is currently unused, but is suited to the production of trees as a farm crop. Tree planting devices (including a low-cost type perfected by the Illinois Central) have an individual capacity of 300,000 trees a year. Forestry is moving to the South.—*J. Walter Myers, Jr., forestry agent of the Illinois Central, Baton Rouge, La.*

Since the famed "Drake" well, America's first, was drilled, 37 billion barrels of oil have been produced. Presently

known reserves are estimated at 28 billion barrels and current annual consumption runs to about 2½ billion. Oil shales, such as are found in Indiana, Kentucky, Ohio, Wyoming, and Utah, but in richest content in Colorado, hold an oil potential of 300 billion barrels, more than five times the country's total petroleum production to date. The cost of producing oil from shale is on the verge of matching the cost of petroleum of orthodox derivation, and in many respects, particularly in Diesel fuels, shale products have superior performance qualities.—*Boyd Guthrie, chief of oil shale demonstration plant, U.S. Department of Interior, Rifle, Colo.*

Agricultural production has been spurred by irrigation with new-type deep-well turbine pumps of high efficiency. Water tables of many areas have been seriously lowered by heavy pumping and well digging may have to be regulated by state authorities. Arizona's agriculture is two-thirds dependent on irrigation. Salt water has worked into the water table in sections of the California delta as the result of excessive pumping.—*R. I. Cross, agricultural agent of the Atchison, Topeka & Santa Fe, Amarillo, Tex.*

The Elkins Act of 1906 prohibits favoritism by carriers toward any shipper by any means or device whatever. From several decisions of the Supreme Court it would appear that, to comply with the act, rentals to shippers of existing facilities not needed for carrier purposes should cover operating expenses, taxes, maintenance and depreciation, and consideration should be given to rentals of similar property in the same locality. For the construction of new facilities, designed for lease to particular shippers, the safe rule would appear to be that rentals should cover no less than adequate return upon cost, after operating expenses, depreciation and taxes.—*Thomas L. Preston, general solicitor, Association of American Railroads.*

Even while turning out record production, farmers in the past few years have been improving their land and adding to their productive acreage by draining, clearing, and irrigation. They are bringing in new cropland at near the long-time rate of 1 to 1½ million acres per year. In the past 25 years the average size of farms has grown nearly 50 acres—from 148 to 195 acres. In eastern states, as much, or maybe more, cropland has been shifted to pasture, forest and other uses in the last 10 or 15 years as has been developed for crops.—*E. B. Duncan, director, Department of Agricultural and Mineral Development of the Great Northern, St. Paul, Minn.*

Wood is everywhere, yet its supply for constantly expand-



"What's Ahead for the Railroads"—Ambrose J. Seitz (above), executive vice-president of the Union Pacific, speaking at the "family dinner" of the A.R.D.A., took a warning from trends in England. Speaking on the Elkins Act, Thomas L. Preston (right), general solicitor of the Association of American Railroads, touched on two seemingly conflicting decisions of the United States Supreme Court



ing commercial usage is a problem. Wood can now be stabilized from expansion, be made fire retardant and, through the use of metal and plastic bondings and overlays, be applied to many uses not dreamed of a few years ago. Through chemical utilization of its components and mechanical utilization of its structure, wood will, some day, provide the nation adequately with food, clothing and shelter.—*W. A. Kluender, forestry and agricultural agent of the Chicago & Northwestern, St. Paul, Minn.*

The Missouri River Basin Development covers 530,000 sq. mi. It will manage soil for agriculture to retain moisture, control flood damage, irrigate 5 million square miles of land, provide 12 billion kilowatt hours of electric power, open new areas to water navigation, create new public recreation areas and relieve the sewage problem for the river cities such as Omaha and Kansas City. General industrial and agricultural development of the area will provide far more traffic for its railroads than they will lose through the creation of new water transport facilities.—*Governor Val Peterson of Nebraska.*

Socialization is not the answer to our railroads' ills—look at the result in England. Deficits have jumped from \$19 million in 1948 through \$83½ million in 1949 to an estimated \$125 million in 1950. Freight rates may soon go to 181 per cent of prewar, yet even in 1948 the British shipper paid 3.057 cents per ton-mile, 144 per cent higher than the American bill of 1.251 cents. Despite these high rates, the British railroad worker earned an average of \$29.50 per week, while his American colleague was earning \$67.82 per week. The British railways paid no tax in 1948. During the same year, tax accruals on American railroads were in excess of one billion dollars. The result of nationalized operation in Great Britain can be summed up like this. Rates are higher . . . wages are lower . . . tax income to government is lost . . . and deficit operations are the end product.—*Ambrose J. Seitz, executive vice-president of the Union Pacific.*

At the final business session, the association voted to include in its platform the "Statement of Principles for Industrial Zoning," drawn up by a committee repre-

senting the American Institute of Planners, the American Society of Civil Engineers, the Association of State Planning and Development Agencies, the Society of Industrial Realtors and the A.R.D.A. The statement proposes "two-way" civic zoning wherein industry and commercial areas are protected against encroachment by so-called "higher" forms of land usage, in addition to restraining, as at present, expansion of industrial and commercial activities into areas zoned for residential or similar "high grade" usage. The statement also provides for industrial zoning with respect to rail and other transportation facilities, and specifically states that, "in the planning of new highways (through land zoned for industrial purposes), a desirable general principle will be to locate such highways at some distance from railroads to provide (a) industrial property between the highway and the railroad, (b) room for grade separations and approaches when necessary, and (c) to permit the use of adjacent land for industrial purposes without the necessity of putting spur tracks across the highway."

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If the country wants modernized railroad transportation it can have it. Just free the railroads from their shackles; let them compete—let them earn—and the job will be done. Over the last 40 years the railroads have, step by step, been squeezed out of our private enterprise system. They must be permitted to rejoin it and once they do, their financial difficulties will fade away and the required billions of new capital will be easily raised.—*From an address to the New York Railroad Club by Fairman R. Dick.*

# GENERAL NEWS

## Fact-Finders Hear More RR Evidence

### Yardmasters may join in conductors', trainmen's case

Testimony of the carriers, the Order of Railway Conductors and the Brotherhood of Railroad Trainmen before the emergency board which is hearing the unions' request for a 40-hr. week for yardmen and other rule changes, went into the third month on May 2, with the prospect of winding up sometime in the week of May 7, unless an extension is agreed upon so that the board can hear the yardmasters' case.

The Railroad Yardmasters of America, who represent about 5,000 yardmasters on 66 railroads, are seeking a 40-hr. week for their craft, and had set a strike for April 12. On April 11, however, President Truman issued an executive order creating an emergency board to hear the dispute, naming to the board the same three members who comprise the board currently hearing the O.R.C.-B.R.T. demands. The board met with the carriers and the yardmasters' organization at Chicago on April 24 and 25. Because of physical limitations, the board felt that it could not hear the two cases concurrently and present a fair report in the limited time available to it. The yardmasters agreed, therefore, to consolidate the two cases, provided the O.R.C. and B.R.T. would consent. The latter organization subsequently announced that they were not adverse to consolidation of the cases, but that they were unwilling to grant an extension of time for presentation of the yardmasters' evidence. Final action is pending on further discussions.

### 70 Per Cent Pay Increase

Introducing evidence with respect to the conductors' and trainmen's demands for rule changes, L. D. Comer, director of employment, Atchison, Topeka & Santa Fe, told the board that under a combination of five of the demands as applied—for a typical example—to a passenger conductor operating between Chicago and Fort Madison, Iowa, 233 mi., his monthly earnings would be increased from \$488 to \$827, for which he would work 127 hours, or the equivalent of 16 8-hr. days a month. Of the \$339 increase, Mr. Comer stated, \$228.68 would result from the unions' demand that the 150-mi. yardstick fixing a basic day's pay be reduced to 100 mi., and that the wage rates of train service employees be graded according to the weight

on drivers of the locomotive pulling the train; \$33.90 would result from granting extra pay for all time that elapses in excess of 30 min. between reporting for duty and departure of the train; \$42.50 for time spent away from home terminal, and \$33.80 paid to the conductor because a brakeman on the train is assigned to help handle mail in the baggage car.

D. P. Loomis, chairman of the Association of Western Railways, testified in support of a carrier proposal to do away with so-called double-header rules, which either set a limit of 40 cars or call for extra compensation to conductors and trainmen when two locomotives are used. These rules, Mr. Loomis said, are "simply a feather-bedding device imposed on the railroads years ago under threat of a strike." In 1928, Mr. Loomis told the board, train service employees voluntarily chose a wage increase of 6½ per cent with retention of the double-header rules, in place of a 7½-per-cent increase with elimination of the rules. The present proposal of the unions to raise basic daily wage rates on western railroads to the level in effect on eastern and southeastern lines is "equivalent to repudiation of the 1928 settlement," he stated.

### Big Locomotives Improved Conditions

Testifying against demands of the conductors and trainmen that pay rates be graded depending on the weight of locomotives pulling trains, L. F. Donald, general manager of the Chicago, Milwaukee, St. Paul & Pacific, told the board that of many factors contributing to the more favorable conditions enjoyed by employees, "one of the most important is the larger, more powerful locomotive, capable of moving heavier trains faster from terminal to terminal. Now the conductors and trainmen ask that a special dividend be declared for their benefit because of the introduction of these larger locomotives," a demand which would cost the railroads an estimated \$46 million annually.

C. D. Mackay, assistant vice-president of the Southern, testified that the carriers, to effect "expedited train schedules to meet the requirements of passengers and shippers and receivers of freight and the prevalent competitive situation in the industry," want the right to establish the length of runs, with the provision that when the unions and management are unable to agree on a proposed run the dispute be submitted to arbitration. Mr. Mackay was supporting a carrier proposal that the railroads be permitted to establish inter-divisional

runs or inter-seniority districts, and to designate crew terminals.

G. J. Willingham, director of personnel, Illinois Central, urged the board to approve a railroad proposal under which freight conductors and trainmen would receive a day's pay for each 125 mi. run rather than for each 100 mi. He testified that the rule calling for a 100-mi. day was established more than 40 years ago and has remained unchanged despite the steady increase in the speed of freight trains.

## Senate Group Starts Hearing on Union Shop

### Proposed Labor-Act change also permits dues check-off

A subcommittee of the Senate labor and public welfare committee began public hearings May 1 on the pending bill to amend the Railway Labor Act to authorize the "union shop" and "check-off" of union dues in the railroad industry. George M. Harrison, grand president of the Brotherhood of Railway Clerks, was the first witness before the subcommittee, and he urged adoption of the bill (S. 3295). Mr. Harrison appeared as spokesman for the 21 railway labor organizations affiliated with the Railway Labor Executives' Association.

Senator Thomas, Democrat of Utah and a sponsor of S. 3295, presided at the opening session of the hearings. He is chairman of both the Labor committee and the subcommittee studying Railway Labor Act amendments. Others present were Senators Donnell, Republican of Missouri, Neely, Democrat of West Virginia, and Lehman, Democrat of New York. The latter two are also sponsors of the bill. (See *Railway Age* of April 22, page 72.)

The presentation by Mr. Harrison, which was subjected to considerable questioning by Senator Donnell, was an explanation of labor's position on the "union shop" bill, and an undertaking to spell out the need for the legislation from the labor viewpoint. Mr. Harrison said that while he did not represent the Brotherhood of Locomotive Engineers or the Brotherhood of Railroad Trainmen, he understood the latter favored the "objectives" of S. 3295, although it had a "different approach" to the problem. They are expected to make their

own presentations later in the hearings.

Mr. Harrison reviewed railway labor's attitude toward labor-management union shop agreements, and said the existence of strong "company unions" until recent years "forced" the labor groups to agree to the "statutory prohibition" of the union shop in 1934. The Railway Labor Act was amended in that year, but railway labor was "not in a position to bargain for the union shop at that time," Mr. Harrison said. The principal target then, he explained, was the "carrier influence over self organization. To effectively combat the company union we were compelled to accept language which also foreclosed the right of uncoerced and free unions to seek a union shop."

#### Would "Force" Employees Into Unions

As to the present situation, Mr. Harrison said the organizations represented by R.L.E.A. are now "urging the adoption" of S. 3295. In reply to questions by Senator Donnell it was shown that about 300,000 employees who are at present outside the labor organizations would be affected. While the witness conceded that not all of these employees would be admitted to membership, he said those who were found eligible would be forced to join. "We are after the 'free riders,'" he said. He also said the unions have a responsibility to carry out their agreements with management, but can't always do so unless they have "disciplinary power" over all the employees. He said also that it was unfair for some employees to pay the cost of bargaining while all employees of the craft or class reap the benefits. Other contentions by Mr. Harrison were to the effect that the

present set-up lowers the morale of union members, that "union shop" agreements would make it more difficult for one union to "raid" another, and that all members of the craft or class would participate in formulation of bargaining policies.

Mr. Harrison turned to specific provisions of the bill under discussion, and declared that Congress should have sole authority on the question of the union shop under the Railway Labor Act. Subsequent questions on this point by Senator Donnell developed that 11 states have restrictions in one form or another on union shop agreements on railroads.

On the section of the law that would authorize the union shop agreements, Mr. Harrison said the unions he represented did not seek "to make agreements which follow the 'closed shop and closed union' doctrine." He noted that the bill would provide that no union shop agreement could be made requiring union membership as a condition of employment "with respect to employees to whom membership is not available upon the same terms and conditions as are generally applicable to any other member." On this point, Senator Lehman expressed concern as to the status of Negro employees not eligible for membership in the train-service unions. Mr. Harrison said the bill would not permit agreements that would "deprive these folks of a job."

#### Check-Off Benefits Unions

Under the check-off provisions of the bill, Mr. Harrison said, "a very substantial benefit accrues to the union in facilitating the collection of dues," and he added that the bookkeeping expense to the carrier would be "more than off-

set by the elimination of the collection of dues on company time." Senator Donnell's questions on the check-off were designed to show whether an employee would be amply protected from "arbitrary" assessments by a union in view of the blanket authorization providing for the deduction of "any dues, fees, or assessments which may be payable to such labor organization."

## 1949 Capital Outlay Greatest on Record

**\$1.3 billion total included  
\$981.3 million for equipment**

Capital expenditures for equipment and other improvements to railway property made by Class I railroads in 1949 totaled \$1,312,200,000, the "greatest amount for any year on record," the Association of American Railroads announced this week. This was an increase of \$38.7 million, or 3 per cent, above 1948 expenditures, and 53.7 per cent more than was expended 20 years ago.

In making comparisons with expenditures for previous years, consideration should be given to the increase that has taken place in the average cost of all sorts of railway materials, the A.A.R. said, adding that prices of equipment in most instances have "more than doubled" in the past 20 years.

Capital expenditures for railway equipment, including locomotives, freight and passenger train cars, amounted to \$981,320,000 in 1949, compared with \$917,449,000 in the preceding year. For roadway and structures such expenditures amounted to \$330,880,000 in 1949, compared with \$356,035,000 in 1948.

#### Expenditures for New Equipment

Including the carryover from 1948, Class I roads in 1949 authorized expenditures of \$1,404,293,000 for new equipment.

Deducting the \$981,320,000 actually spent during the year, railroads had on January 1, 1950, a carryover of unexpended authorizations for new equipment amounting to \$422,973,000. In the first three months of 1950, however, the railroads have ordered nearly four times as many new freight cars as were ordered in the same period of 1949. They also ordered in the first quarter of 1950 a total of 685 new Diesel-electric locomotives, compared with 198 in the same period of 1949.

Of the total amount expended for equipment in 1949, Class I roads spent \$407,935,000 for freight-train cars, \$133,957,000 for passenger-train cars, and \$406,246,000 for locomotives. Each of these totals represents the largest amount expended since these records have been compiled. Class I roads in 1949 installed 84,669 new freight cars, 946 new passenger-train cars and 1,865 new loco-



Ten completely reconditioned dining cars are going into service by the end of May on the Canadian Pacific's lines between Montreal, Que., Winnipeg, Man., and Medicine Hat, Alta. The 36-seat cars have curtained picture windows separated by yellow leatherette, with red plastic sills; pastel blue ceilings, and walnut panelling at either end

tives, of which 1,808 were Diesel-electrics and 57 were steam.

Roadway and Structures

Capital expenditures made by Class I roads for roadway and structures in 1949 included the following: Heavier rail, \$53,581,000, the greatest amount ever expended; yards and sidings, \$41,268,000; signals and interlockers, including telegraph lines, automatic train control, etc., \$46,110,000; shops and engine houses (including machinery and tools), \$42,414,000; bridges, trestles and culverts, \$26,491,000; station and office buildings and other station facilities, \$26,390,000; additional main track, \$12,934,000; additional ballast, \$6,445,000, and other improvements, \$75,247,000.

Capital expenditures made annually by Class I roads in the past 20 years follow:

1949	\$1,312,200,000
1948	1,273,484,000
1947	864,689,000
1946	561,957,000
1945	562,980,000
1944	560,112,000
1943	454,282,000
1942	534,897,000
1941	543,021,000
1940	429,147,000
1939	262,029,000
1938	226,937,000
1937	509,793,000
1936	298,991,000
1935	188,302,000
1934	212,712,000
1933	103,947,000
1932	167,194,000
1931	361,912,000
1930	872,608,000

More detailed data for expenditures in recent years, including 1949, for the principal equipment and roadway items are shown in the accompanying table.

Drysdale Urges New Concept of Railroads

F.R.P. executive calls for free market in transport field

Robert M. Drysdale, Jr., executive vice-president of the Federation for Railway Progress, last week told the Senate's subcommittee on domestic land and water transportation that solution of the nation's transportation problem calls for a new concept of private railroads in which free prices and competition would supplant government restriction and regulation. Mr. Drysdale made his presentation at the April 27 session of public hearings which the subcommittee is conducting in connection with studies it is making pursuant to Senate Resolution 50.

The subcommittee, headed by Senator Myers, Democrat of Pennsylvania, is a unit of the Senate committee on interstate and foreign commerce. At the April 27 session it also heard a statement by Herschel A. Hollopeter, transportation director of the Indiana State Chamber of Commerce. The session scheduled for May 2 was canceled, and thus the presentation of S. M. Felton, president of the

GROSS CAPITAL EXPENDITURES ON RAILWAY PROPERTY—YEAR 1949

Railways of Class I—United States (000 omitted)					
Item	Un- expended author- izations brought over from 1948	Additional author- izations during year 1949	Total amount authorized including carry-over from 1948	Amount expended during year 1949	Carry-over of un- expended author- izations to 1950
EQUIPMENT:	A	B	C = A + B	D	E = C - D
Locomotives	\$274,536	\$307,465	\$582,001	\$406,246	\$175,755
Freight-train cars	334,722	174,616	509,338	407,935	101,403
Passenger-train cars	220,864	47,958	268,822	133,957	134,865
Other equipment	18,827	25,305	44,132	33,182	10,950
Total equipment	\$848,949	\$555,344	\$1,404,293	\$981,320	\$422,973
ROADWAY AND STRUCTURES:					
Additional main track	\$14,924	\$12,948	\$27,872	\$12,934	\$14,938
Yards and sidings	23,037	41,764	64,801	41,268	23,533
Heavier rail	16,400	58,023	74,423	53,581	20,842
Additional ballast	455	6,939	7,394	6,445	949
Shops and engine houses (including machinery and tools)	30,716	32,957	63,673	41,414	21,259
Station and office buildings and other station facilities	20,065	27,135	47,200	26,390	20,810
Bridges, trestles and culverts	27,910	25,200	53,110	26,491	26,619
Signals and interlockers, including telephone and telegraph lines, automatic train control, etc.	39,836	38,609	78,445	46,110	32,335
All other improvements	84,068	73,045	157,113	75,247	81,866
Total Roadway and Structures	\$257,411	\$316,620	\$574,031	\$330,880	\$243,151
Grand Total	\$1,106,360	\$871,964	\$1,978,324	\$1,312,200	\$666,124

Source: Reports of the carriers to the Bureau of Railway Economics.  
Note: Additional track includes rail and tie fastenings and other track material.

GROSS CAPITAL EXPENDITURES ON RAILWAY PROPERTY—1945 TO 1949

Railways of Class I—United States (000 omitted)					
Item	1949	1948	1947	1946	1945
EQUIPMENT:					
Locomotives	\$406,246	\$350,968	\$222,626	\$97,310	\$127,934
Freight-train cars	407,935	417,139	248,371	159,282	138,114
Passenger-train cars	133,957	120,808	80,102	47,169	30,843
Other equipment	33,182	28,534	14,802	15,256	17,888
Total Equipment	\$981,320	\$917,449	\$565,901	\$319,017	\$314,779
ROADWAY AND STRUCTURES:					
Additional main track	\$12,934	\$21,173	\$18,504	\$14,781	\$15,566
Yards and sidings	41,268	58,923	43,792	36,427	31,733
Heavier rail	53,581	48,731	44,625	31,545	37,579
Additional ballast	6,455	6,249	5,141	4,960	6,343
Shops and engine houses (including machinery and tools)	42,414	41,482	38,742	34,289	38,243
Station and office buildings and other station facilities	26,390	26,469	25,030	17,119	14,549
Bridges, trestles and culverts	26,491	28,897	26,627	24,972	24,364
Signals and interlockers, including telephone and telegraph lines, automatic train control, etc.	46,110	47,599	39,120	29,757	30,039
All other improvements	75,247	76,512	57,204	49,090	49,785
Total Roadway and Structures	\$330,880	\$356,035	\$298,783	\$242,940	\$248,201
Grand Total	\$1,312,200	\$1,273,484	\$864,689	\$561,957	\$562,980

Source: Reports of the carriers to the Bureau of Railway Economics.  
Note: Additional track includes rail and tie fastenings and other track material.

American Railway Car Institute, was postponed until May 4.

Vice-President Drysdale of the F.R.P. advised the subcommittee that "until a modern, free price system is established in our domestic transportation business our transport industry will not achieve the integrated, dynamic, technologically advanced development of which it is inherently capable." He warned that the continuing "impoverishment" of the railroad industry makes it an easy target for socialization. And he charged that "the combination of government regulation and the gradual socialization of competitive transport agencies has caused the railway industry to sink in one gen-

eration from a position of progress and prosperity to a struggle for its very existence as a private enterprise."

"I believe you will agree," Mr. Drysdale also said, "that the heart of our national transportation problem is the problem of the railway transport industry. And the heart of the railway problem is the attitude of the government toward transportation as a whole. . . ."

"Although railway transportation is today indispensable to this [country's free] economy and to our defense, private persons are growing increasingly reluctant to devote their property and their resources to furnish it. The fact is that the returns do not compensate the

risks. The private persons who have undertaken to provide railway transportation service over the past quarter of a century have been remunerated at a rate far below that earned by those providing other goods and services. They have seen this essential economic activity subjected to increasing government regulation which has resulted in a decline in the initiative of the managers of their property and a growth of indifference to the real welfare of the enterprise on the part of their employees. And they have seen gradual socialization of competitive transport agencies, with the state taking the property of railroad owners in the form of taxes to provide transport facilities for their competitors."

#### Five Fields of Action

The F.R.P. executive went on to call for revisions of and additions to existing transportation legislation in five specific areas, and he submitted to the subcommittee exhibits showing the actual changes recommended by the federation. As Mr. Drysdale summarized them, the recommendations were designed to: (1) Gradually "de-regulate" the transport industry; (2) expedite voluntary consolidation of railroad properties; (3) bring about an end to subsidization of railroad competitors; (4) put the railroads on a parity with all other business in regard to taxes; and (5) foster more effective labor-management relations.

In the field of "de-regulation," Mr. Drysdale urged changes in the Interstate Commerce Act which would be designed to expedite consideration of "rate-level" cases, eliminate the I.C.C.'s power to suspend rates, repeal the long-and-short-haul clause, and empower the I.C.C. to fix only "minimum and maximum" rates where it now is authorized to set specific rates. He called these proposed changes only a "limited first step" toward a free price system in transport. He also urged further changes in the act to facilitate discontinuing and abandoning unprofitable services which, he said, railroads are often forced to maintain for the "flimsiest reasons."

Arguing in support of his proposal to facilitate voluntary consolidations of railroads, Mr. Drysdale contrasted the 132 Class I railroads with "the 16 integrated steel producers," and "the 18 automobile manufacturers." This comparison indicates that "there is ample room in this basic industry to permit the consolidation of some of its components without endangering the fabric of competition which is so necessary to a progressive economy," he suggested. And he then proceeded to call for changes in those provisions of the I.C. Act, the Panama Canal Act and the Civil Aeronautics Act which now "limit the kind of tool or instrumentality which a railroad can use in the conduct of the transportation business."

Mr. Drysdale conceded that time would be required before sweeping changes in policy can be made to end subsidies to railroad competitors. In the meantime, he proposed "fair user charges for use

of public ways," and "equitable contributions for the general support of the government" from competitors of railroads and pipe lines, which must maintain and pay taxes on their "private ways." Among his other recommendations were those calling for removing the government from the barge-line business, separation of air-mail pay and subsidies, and conditioning federal grants to states for highway construction to require states to establish user taxes to cover all highway costs adequately.

#### Inequality in Social Security

Comparing the 1½ per cent social security levy with the similar railroad retirement tax of 6 per cent, Mr. Drysdale said "this discrimination" decreased railroad-industry earnings by almost 27 per cent in 1949, and denied the federal government \$72 million in income taxes. He said discrimination exists in other zones of taxation and also urged repeal of the excise tax on amounts paid for the transportation of property and persons.

As to the Railway Labor Act, the F.R.P. executive said it "has subjected labor-management relationships to political control for 25 years." He advocated that there be added to it a provision "requiring an affirmative showing in wage proceedings before a board of arbitration or emergency board to the effect that changes in total wage costs can be covered adequately by rate or other adjustments so as to produce at all times revenues sufficient to assure the provision of adequate and efficient railway transportation service in accordance with the standards set forth in section 15(a), paragraph (2) of the Interstate Commerce Act."

Mr. Hollopeter advised the subcommittee of positions taken by the Indiana State Chamber on various transportation matters. It is opposed to government ownership of railroads, to compulsory

consolidation of railroads, and to any proposal to require that carrier rates be based on fully allocated costs. It favors "restriction of subsidies and of government support to development of transportation"; liberalization of laws and administrative policies which restrict operations of transport agencies in transport fields other than their own; Railway Labor Act amendments "to provide legal methods of fully disposing of labor controversies . . . without interference with transportation service," and, "in principle" the transportation recommendations of the Hoover Commission.

## Railroads Seek Probe Of Long-Haul Trucking

### Ask I.C.C. to study trends in light of transport policy

Ninety railroads have asked the Interstate Commerce Commission to institute a general investigation of "long-haul" highway transportation to determine its "economic and other effects," and to establish "policies to be applied in developing, coordinating and preserving the national transportation system contemplated by the national transportation policy." The petition listed more than 40 applications pending before the commission for authority to establish long-haul truck routes, many of them extending from the Atlantic coast to the Pacific and from the Gulf of Mexico to the Pacific.

#### Similar to Grain-Trade Petition

The railroad proposal is that no decision be rendered on any of the listed applications until the general investigation has been made. The petition is like one filed recently by 16 organizations interested in the grain trade. The request of those earlier petitioners for a similar commission investigation was based on a contention that shippers of grain and grain products will be forced to pay higher rail rates if other railroad traffic is lost to long-haul truckers (see *Railway Age* of April 15, page 65).

The railroad petition asserted that none of the listed motor applications seeks authority to render complete transportation service. "On the contrary," it added, "the authority sought . . . is for the transportation of only one commodity or for a strictly limited class of commodities, which customarily are moved by railroad or other means at rates relatively higher than those applicable to the movement of grain. . . . coal, lumber, and other raw materials and commodities in bulk."

The petition went on to say that the railroads are the only agency rendering a "complete transportation service," and that they are the only agency capable of rendering "complete transportation service" under a structure of rates "so related to the commodities moved and

### Strike Gets Sick as Sick Strikers Get Sick of Striking

Approximately 100 Long Island engineers who became simultaneously "sick" just before the morning rush hour on May 1 recovered just as rapidly later the same day when it became apparent that the railroad was able to keep its commuter trains moving on schedule by using qualified extra and yard enginemen and motormen.

The demonstration, allegedly against curtailment of certain steam trains, mostly outside of heavy commuting territory, was actually directed principally against the railroad's rule requiring a complete medical checkup after all absences because of illness, no matter how brief. It was arranged by the local chairman of the Brotherhood of Locomotive Engineers, but was disavowed as "illegal" by the national brotherhood.

Sufferers from the prearranged "epidemic" were given the required medical examination before they returned to work.

the service performed as to permit our modern economy to function as it does and as it must." The ability of the railroads to continue on this basis "is directly dependent upon their ability to obtain and transport an adequate volume of traffic properly balanced both as to rate classification and direction of flow," the petition added. And it warned that "they cannot continue to transport raw materials at the existing relatively low levels of rates unless they are able to obtain and to transport concurrently therewith or in opposite directions an adequate volume of traffic moving at relatively higher rates."

It is the "duty" of the commission to recognize and preserve the "unique and inherent" advantage of railroad transportation which is reflected in this ability to render complete service, the petition argued. It also stressed the "utility and indispensability" of the railroad system as an "instrument of national defense."

#### "Pick and Choose" Carriers

The applicants involved in the listed applications, like motor carriers "in general," seek to "pick and choose their traffic, skimming off the most profitable business," the petition continued. It added that this trend, which is taking from the railroads "an ever-increasing volume of the most lucrative traffic," has developed since the end of World War II "with increasing velocity."

In deciding each of the motor cases, the petition also said, the commission "should determine whether such proposed expansion would adversely affect service by existing truck lines in the short-haul field, and by existing railroads; whether and to what extent such expansion would affect the rate structure and the rates to shippers of commodities not handled in such movements by motor truck; whether there is a real public need for the truck service; whether highway facilities are adequate to accommodate the resultant increase in highway traffic volume by heavy vehicles and the effect of such increase in volume upon such highways; whether and to what extent such expansion would affect the national defense and the other objectives of the national transportation policy . . ."

Because of the "importance" of these questions, "common to each of the pending applications," the commission should not handle the cases separately, the petition said in leading into its prayer for a general investigation. The latter, the petition contended, should embrace not only the applications on its list but "all other applications for motor carrier operating rights of similar character and scope which are now pending or which may be filed in the immediate future."

John T. Lawrence, managing director of American Trucking Associations, issued a May 1 statement to call the railroad petition "merely another in a long series of efforts to prevent the natural development of intercity truck transportation." The petition "is being given full study," Mr. Lawrence added.

"Meanwhile," he continued, "it is virtually certain that the trucking industry will want to make a strong presentation in connection with any general investigation. We would consider it an opportunity to show the economic benefits to shippers and the American public generally that derive from long-haul truck transportation and to point out that there are more than 25,000 communities throughout the country that depend entirely on highway transportation for all their needs."

"The railroads, in their petition, blandly assert that they provide the only complete transportation service and that they serve 'any and every point'. It is obvious, of course, that they cannot serve any of the more than 25,000 off-rail points without utilizing truck service. It is equally obvious that trucks can and do serve every American community, no matter how remote, either in conjunction with air, water or rail carriers, or independently."

## U. S. Chamber Stages Transport Discussion

### Annual meeting includes talks by panel of editors

Five editors whose publications cover the transportation field were participants in a panel discussion, entitled "The Press Looks at Transportation," which was on the program of the annual meeting of the Chamber of Commerce of the United States in Washington, D. C., this week. The discussion was held at a May 2 luncheon session at the Statler Hotel.

The participants were Leon F. Banigan, editor, *Fleet Owner*; Robert J. Bayer, editor, *Traffic World*; Stanley Ferguson, shipping editor, *New York Journal of Commerce*; Wayne Parrish, editor and publisher, *American Avia-*

*tion*; William H. Schmidt, Jr., western editor, *Railway Age*. The moderator was Burton N. Behling, senior transportation specialist, Legislative Reference Service, Library of Congress, while Evans A. Nash presided. Mr. Nash is president of the Yellow Transit Company of Oklahoma City, Okla., and chairman of the chamber's Transportation and Communication Department Committee.

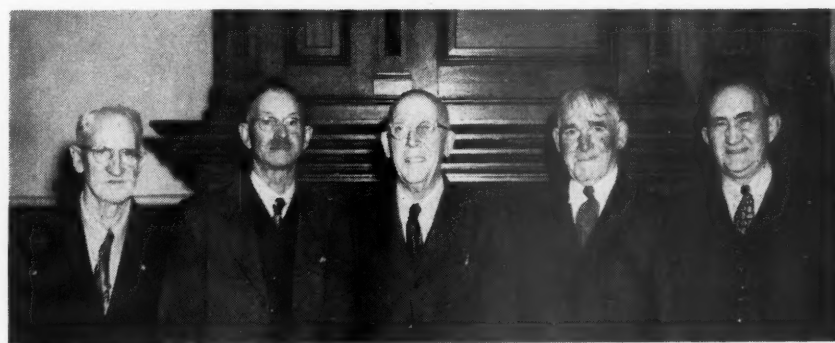
The panel had before it these specific questions: (1) Will the mounting competition among carriers in 1950 create new national transport issues? (2) Is our transport system being weakened or strengthened by governmental aid? (3) Is government invading the field of management to the detriment of a sound transportation system?

Generally the editors gave a negative answer to the first question, although their talks reflected some concern about publicity campaigns of some carriers against others. As to the second question, those of the editors whose principal interests lay in the air and waterway fields were of the general view that continued government aid was desirable. Mr. Banigan took the position that highway carriers are not subsidized.

Mr. Schmidt, on the other hand, found that all carriers, except railroads and pipe lines, are beneficiaries of public aids; and he called this subsidy question a "basic" one. And Mr. Bayer said that "one of the most pressing needs in the whole field of transportation study is a completely unbiased, and wholly academic study" of the subsidy problem.

Mr. Banigan's contention that the highway carriers are not subsidized was based on the public-aids report issued by the late Joseph B. Eastman in his role of federal coordinator of transportation. To the editor of *Fleet Owner*, the railroad industry's concern about the threat of government ownership, and its complaints about subsidized competition and its own inadequate return, are "very old and very tiresome issues."

He suggested that one solution for railroad financial difficulties would be elimination of the loss on passenger



**VETERANS OF 267 YEARS SERVICE ON B. & M.**—These five men, all engineering department employees on the New Hampshire division, represent 267 years of service with the Boston & Maine. Left to right: George Moses, section foreman, Meredith, 57 years; Harry Herbert, patrol foreman, Plymouth, 54 years; Ernest Carr, chief clerk, Concord, 53 years; F. A. Keniston, yard foreman, Concord, 52 years; and J. P. Longway, yard foreman, Manchester, 51 years. All hold gold passes for long service

business. He is not a "statistician," but "one of those fellows" had told him that "if the railroads had merely broken even on passenger traffic in 1948, their over-all revenues would have increased 50 per cent; and they probably would have realized the 6 per cent on investment that they want."

It was Editor Bayer of *Traffic World* who expressed concern about publicity campaigns of some carriers against others. As he sees it, the "great problem" in 1950 "will be to keep competition between transportation facilities—notably between the railroads, on the one hand, and common and contract highway operators, on the other—from degenerating into destructive warfare." In recent months, as Mr. Bayer put it, "there have been dangerous portents."

He had in mind what he called "threats on both sides that a public campaign . . . will be waged, each to convince the public of the unquestioned iniquity of the other." Such campaigns are actually under way "in some places and in some ways," Mr. Bayer added. And he warned that "a continuation and intensification of this public mudslinging will eventually result in a demand that both be taken over and managed by the government."

The *Traffic World* editor went on to say, however, that there are now indications that 1950 "is more likely to see a diminution if not an entire abandonment of this unwise policy." He added: "There are already signs that some of the statesmen in the field are aware of the inherent dangers. It is particularly healthy that the urge to drop the futile fight has had its origin, not among railroad executives or truck operators, but among their customers."

#### Merchant Marine Needs Subsidy

Mr. Ferguson spoke of the plight of water carriers in the domestic coastwise and intercoastal trades. He condemned President Truman's proposal to abolish the Maritime Commission and transfer its functions to the Department of Commerce. As to federal aid, Mr. Ferguson said "there would not be much of a merchant marine, with or without vitality," if the subsidy were discontinued. He also spoke of indications that the water lines may seek alliances with truckers in an undertaking to replace traffic lost as a result of water-competitive rates maintained by railroads.

Mr. Parrish asserted that "air transportation could operate without the bulk of this [government] aid, but the public would not have available a sound and frequent air transportation system and safety factors might well be considerably lessened." He also said that "in general, government aid has been essential for efficiency, safety and general expansion of service which in the long run pays off by usage of the customer or the public." In Mr. Parrish's opinion, "too much emphasis has been placed in the advertising of all carriers toward drawing business away from another company or another type of carrier, instead of

#### Perlman Finds Mechanization Greatly Needed in Israel

Mechanization, particularly of maintenance-of-way work, and general adoption of American mass transportation methods, are necessary if the Israel Railway is to meet successfully the demands being made on it by the relatively high standard of living which that new country has already succeeded in obtaining.

So A. E. Perlman, general manager of the Denver & Rio Grande Western, told one of the editors of *Railway Age* who interviewed him in New York on May 2, on his return from a month's inspection of the 300-mi. system. Some of Mr. Perlman's observations concerning the Israel Railway, on which his official report will be based, will be summarized in an early issue of *Railway Age*.

endeavoring to generate new transportation."

The presentation by Mr. Schmidt of *Railway Age* took the form of a parable—"The Parable of the Five Brothers," he called it. The brothers were the sons of a "lord of the manor." The "lord," it seemed, was Uncle Sam, and his five sons were the country's different types of transportation. Mr. Schmidt told how the "lord" has lavished gifts on three of the sons, leaving the other two, who were called "Choo-choo" and "Oily" to make their own ways. "Oily" nevertheless "waxed fat," raising "only one crop—a rich one—in which he never lost interest." Mr. Schmidt thus passed on to explain "Choo-choo's" plight in this way:

"'Choo-choo' was popular neither with his father nor anybody else on the estate, and had to fight hard to get land and seed for his farm. For a period, because he wanted this son to experiment with some crops for which there were no buyers, the lord gave him worthless land on the outskirts of the estate, but he collected his manorial taxes on it from the first and insisted, further, on buying his crops at half-price. The son soon found he had made a bad bargain. For the rest, he had to pay full rent, furnish his own seed, and keep his fields in good order and his fences mended wholly out of the yield of his acres.

"Not content with this, however, the lord required this son to raise a wide variety of crops—some of which did not fetch a penny—and forbade him to give up tilling sections of his farm which no longer bore fruit, on the ground that none of his other sons could do it. This son had possessed from birth a strong constitution inherently, but grew weak from overwork and undernourishment, so that he fell prey to every disease which came his way. His lord paid him little heed, except to come for the rent and taxes and to make sure he raised everything he was ordered to."

Now the "lord" has become "sore distressed," the parable continued. The lavishing of gifts on his "favorite sons"

has "taxed his exchequer"; and, "to his great astonishment," none of the sons—except "Oily"—ever "came to be well-off." So, the "lord" is now asking himself, "Have I been wise or foolish?" The panel discussion, Mr. Schmidt hoped, would give the answer and "finish our little parable."

#### B. & O. Announces 2nd-Day Chicago-New York Service

The Baltimore & Ohio this week announced a new less-than-carload freight service—called the "Time-Saver Service"—offering second-morning delivery at Chicago from New York, Philadelphia, Pa., Baltimore, Md., and Washington D.C. Monday to Friday night departures on the eastern and western ends of the B. & O. system provide a five-day-a-week availability for the new l.c.l. service which, the road said, has been tested for several weeks.

#### House Group Tentatively Favors Transport Tax Cuts

The House committee on ways and means has tentatively voted in favor of a reduction, from 15 to 10 per cent, in the tax on amounts paid for transportation of persons, and a halving of the freight tax. The latter is now 3 per cent on freight charges, except in the case of coal where it is 4 cents per short ton; and the committee's tentative proposal would make it 1½ per cent and 2 cents, respectively.

The proposal is part of the committee's overall plan to reduce various excise taxes. Such reductions have been recommended by President Truman—provided the cuts are "accompanied by provision for replacement of the revenue lost." As to the transport levies, the President favors the fare-tax cut which the committee has tentatively agreed upon; but his program "permits" elimination of the freight tax entirely, according to a statement made to the committee by Secretary of the Treasury Snyder.

#### Hearing in Eastern L.C.L. Case Now Set for June 27

Division 2 of the Interstate Commerce Commission has now set June 27 as the date for further hearing at Washington, D. C., in the reopened No. 29770 proceeding wherein eastern railroads are proposing increases in their rates on l.c.l. and any-quantity traffic. The hearing had previously been scheduled for April 25, and the postponement met a joint request made to the commission by the interested railroads and the National Industrial Traffic League.

The request was embodied in a letter signed by J. F. Eshelman, general attorney of the Pennsylvania and counsel for the eastern roads, and John S. Burchmore, counsel for the National Industrial Traffic League. The letter said that the delay was sought "with the hope and expectation that by that time [June 27] a discontinuance of the proceeding may be possible and appropriate."

It noted that a "compromise" of the matters involved had been worked out by the carriers and the N.I.T. League. The compromise is not acceptable to all shippers represented by the League membership, but further discussions are now under way, the letter also said.

### Freight Car Loadings

Loadings of revenue freight in the week ended April 29 totaled 745,350 cars, the Association of American Railroads announced on May 4. This was an increase of 22,706 cars, or 3.1 per cent above the previous week, a decline of 40,094, or 5.1 per cent, below the corresponding week last year, and a drop of 145,765 cars, or 16.4 per cent, under the equivalent 1948 week.

Loadings of revenue freight for the week ended April 22 totaled 722,644 cars, and the summary for that week as compiled by the Car Service Division, A.A.R., follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, April 22			
District	1950	1949	1948
Eastern .....	134,288	139,197	156,014
Allegheny .....	153,834	166,238	177,360
Poconantas .....	60,690	65,076	61,834
Southern .....	127,194	119,872	141,679
Northwestern ..	75,206	114,728	125,806
Central Western ..	114,399	109,038	120,095
Southwestern ..	57,033	55,208	69,138
Total Western Districts .....	246,638	278,974	315,039
Total All Roads	722,644	769,347	851,926
Commodities:			
Grain and grain products .....	42,073	43,632	38,769
Livestock .....	8,583	10,059	15,989
Coal .....	151,142	158,038	176,601
Coke .....	14,406	14,559	10,690
Forest products ..	40,978	37,955	44,661
Ore .....	16,604	69,596	76,600
Merchandise I.C.I. ..	84,377	93,094	111,201
Miscellaneous ..	364,481	342,414	377,415
April 22 .....	722,644	769,347	851,926
April 15 .....	707,272	765,943	784,611
April 8 .....	700,129	757,784	682,934
April 1 .....	720,353	725,623	660,631
March 25 .....	717,233	596,329	663,663
Cumulative total 16 weeks ..	10,257,160	11,249,385	12,145,083

In Canada.—Carloadings for the week ended April 22 totaled 71,908 cars, compared with 69,042 cars for the previous week, and 73,840 cars for the corresponding week last year, according to the Dominion Bureau of Statistics:

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
April 22, 1950 .....	71,908	33,038
April 23, 1949 .....	73,840	31,031
Cumulative totals for Canada:		
April 22, 1950 ..	1,099,096	483,518
April 23, 1949 .....	1,154,809	509,357

### Emergency Board on C.&I.M.

President Truman has appointed an emergency board to investigate a dispute between the Chicago & Illinois Midland and those of its employees who are represented by the Brotherhood of Railroad Trainmen. The dispute, which involves principally grievance cases within the jurisdiction of the National Railroad Adjustment Board, resulted in a strike lasting two days—from April 27 to April 29.

Since last November 1, 23 of these International Business Machines electronic calculators have been installed in the railroad and railroad supply industries. Users include the Chicago & North Western; the Chicago, Milwaukee, St. Paul & Pacific; the Chicago, Rock Island & Pacific; the Illinois Central; the Louisville & Nashville; the Missouri Pacific; the New York Central; the Union Pacific; the American Car & Foundry Co.; the American Locomotive Company, and the Budd Company. With some 1,200 electronic tubes, the machine can compute from punch cards 6,000 payroll items per hour, or can handle various types of operating statistics



Courier-Journal & Louisville Times

Members of the board are Joseph S. Kane, Andrew Jackson, and Harry H. Schwartz. They were scheduled to begin hearings at Springfield, Ill., on May 8.

### American Experts Studying German, Turkish Railroads

Two Marshall Plan projects channeling American railway "know-how" to western Europe are under way in Turkey and the Federal Republic of Germany, the Economic Cooperation Administration reported on May 6, "to determine what practical measures can be recommended to improve service and cut operating costs."

The projects, ECA said, are the first phases of a technical aid program designed to help rehabilitate railway systems of Marshall Plan countries. Present plans for carrying out this program call for possible additional surveys in other Marshall Plan countries by U. S. railway experts, as well as studies of railway systems in this country by European technicians.

Eight U. S. experts are making a two-month study of German railway (Bundesbahn) operations under a contract signed with Coverdale & Colpitts, consulting engineers, New York, and under the general direction of William A. Gordon, C.&C. partner, formerly associated with the New York, New Haven and Hartford. The phases to be covered and the experts studying them are:

- (1) General operations: Claude D. Merrill, former vice-president, Pennsylvania.
- (2) Terminal operations: Herman T. Froushour, former general manager, Pennsylvania.
- (3) Maintenance of equipment: Thomas R. Cook, New York, Coverdale & Colpitts.
- (4) Maintenance of way and structures: George M. O'Rourke, Illinois Central.
- (5) Traffic operations: Clifford H. Stanton, traffic specialist, Coverdale & Colpitts.

- (6) Management and administration: Dr. Ludwig M. Homberger, professor of transportation, American University, Washington, D. C.
- (7) Staff and statistical operations: Robert King Munroe, New York, Coverdale & Colpitts.

The Turkish study involves four phases of Turkish State Railway operations, each to take about one year. They are:

- (1) Costs: Joseph L. White, formerly of the Interstate Commerce Commission.
- (2) Roundhouse operations: Lewis H. Flynn, New York Central.
- (3) Production engineering: Eugene S. Taliaferro, Warren C. Bogue and Eugene Seybold, all of Anderson-Nichols & Co., New York and Boston, Mass.
- (4) Passenger and freight rates: Personnel to be selected.

### Urges "Higher Efficiency" As Way to Lower Rates

"A substantial reduction in the rate level made possible by higher carrier efficiency" has been advocated by a Department of Agriculture transportation specialist as a "most desirable solution" to the relatively increasing gap between farm prices and rail freight rates. This comment appeared in an article entitled "Railroad Freight Rates and Prices of Agricultural Products, 1913-50," which was included in the April issue of the department's "Marketing and Transportation Situation." The article was written by Ezekiel Limmer of the Bureau of Agricultural Economics.

Mr. Limmer's article was principally a review of the relationship between rail rates on agricultural commodities and the market prices of such commodities during the past 37 years. He said the present rate-price relationship is comparable to that just prior to World War I, but he added that the trends of rates and prices in the last two years "have been in opposite directions."

The outlook for the future, Mr. Limmer

said, is that agricultural prices "may decline somewhat further" as a result of lowered farm support prices and the curtailment of foreign aid programs. Rail rates, on the other hand, "will probably be maintained at about the present level," with further increases "not beyond the realm of possibility."

Mr. Limmer predicted that if the relation between prices and rates "continues to worsen," shippers will seek to reduce transportation costs by shipping to markets that are nearer and by "greater utilization of transport agencies offering shippers lower costs." He said either method would adversely affect railroad net earnings which might, in turn, "impel them to request additional rate increases on the traffic that continues to move by rail." It was in this connection that Mr. Limmer suggested "higher carrier efficiency" with a consequent lower rate level as a solution to the situation.

### J. S. Hawley and R. S. Booth Retire from I.C.C. Staff

James S. Hawley, who had been assistant director of the Bureau of Safety, Interstate Commerce Commission, since 1939, retired on April 30 after more than 38 years of service on the commission's staff. Robert S. Booth, who was also a member of the Bureau of Safety's staff and who had formerly been assistant director of the Bureau of Service, also retired recently.

Before coming to the commission in 1912, Mr. Hawley had been employed by the New York, New Haven & Hartford in the positions of operator, dispatcher, chief dispatcher, and rules examiner. Mr. Booth was with the commission 31 years, and he plans to engage in practice as a consultant on transportation matters, with headquarters at Lenoir, N. C.

### Canadian Rail Wage Increase May Lead to Further Rate Boost

Another possible increase in rail rates was forecast by the Canadian Pacific and Canadian National last week as they announced willingness to settle a wage-hour dispute with their employees on the basis of recent federal conciliation board reports.

In a joint letter to Labor Minister Humphrey Mitchell, the two companies pointed out that implementation of the boards' findings would cost them between \$19,225,000 and \$27,000,000 annually. They added: "The railways are willing to accept the findings contained in the majority reports and are ready to negotiate a settlement on this basis. In doing so it must be emphasized that the additional costs involved can only be met by increasing the charges made for our services to the public."

The majority findings of the two conciliation boards rejected the claims of 124,000 rail employees for outright pay increases. They recommended a shorter work week and higher hourly rates but, generally, less weekly pay. (See *Railway*



Paul W. Johnston, president of the Erie (left), receives from Secretary of the Treasury John W. Snyder a distinguished service citation for participation by the Erie and its employees in purchase of U. S. savings bonds through the payroll savings plan. The presentation was made at a meeting of the board of directors of the Association of American Railroads in Washington, D. C., on April 28

Age of April 22, page 71, and April 29, page 69.)

The joint letter, signed by S. F. Dingle, vice-president of the C.N., and N. R. Crump, C.P. vice-president, said acceptance of the rail unions' demands would cost the companies an estimated \$84,147,000 annually.

### Shows Fiscal 1949's Air Mail Costs and Postal Deficits

Air lines received \$55,506,874 for handling 6 per cent of non-local, first-class mail in the fiscal year ended June 30, 1949, when the railroads received only \$27,112,263 for handling the other 94 per cent. This is on the basis of volume in pieces of mail, while the weight basis shows that the railroads handled 90 per cent of the poundage and the air lines 10 per cent, including air parcel post.

These and other like comparisons are made in a statement which Robert S. Henry, vice-president in charge of Public Relations of the Association of American Railroads, has prepared from the Post Office Department's latest cost ascertainment report. The \$27,112,263 paid to the railroads included \$22,562,446 "for use of the post offices on wheels provided by the railroads for the sorting and distribution of mail en route," Col. Henry explained, adding that there is "no comparable service of sorting in transit by air."

The A.A.R. vice-president also pointed out that the Post Office Department's report had shown a net revenue of 49 cents per ton-mile in the case of first-class mail handled by rail. Meanwhile, there was a net deficit of \$1.38 per ton-mile in the case of air mail. Other comparisons

made by Col. Henry were on a per-lb. and per-piece basis, the latter, which he called "interesting," being as follows:

"The average revenue . . . per piece of non-local, first-class mail in 1949 was 3.2 cents. The average expense of handling was 2.87 cents per piece. The rail transportation cost included in this expense (not including rental charges for mail sorting and distributing space in railway post office cars) was little more than one-twentieth of a cent, for which the railroads carried each piece of mail an average distance of 482 miles. For the average piece of domestic air mail, the Post Office Department received in 1949 revenue 7.63 cents. The expense of handling the average piece was 11.99 cents. Included in this expense was 6.48 cents per piece paid to air lines, for which they carried the average piece of domestic air mail 1,195 miles.

"Transportation of mail by air, therefore, cost the Post Office per piece more than 100 times as much as surface transportation. Allowing for the difference in length of movement, the transportation cost per piece of moving mail by air was about 50 times the cost of moving it by rail."

### Angelo Colonna to Study RR Kitchen Equipment Abroad

Angelo Colonna, Philadelphia, Pa., designer and builder of kitchens for railroad dining cars, sailed last week for Europe to study European railroad dining car facilities in connection with modernization programs now under way by several European railroad car builders. Mr. Colonna designed and built kitchens on, among other trains, the Atchison, Topeka & Santa Fe's "Super Chief," the Chicago, Rock Island & Pacific's "Rockets" and the Chicago, Burlington & Quincy's "Zephyrs." While in Europe he will visit the Fiat Industries in Milan, Italy, and the Wagon-Lits organization's Paris, France, plants.

### Firemen Charge Intimidation As Mediation is Renewed

The National Mediation Board met with representatives of the carriers and the Brotherhood of Locomotive Firemen & Enginemen at Chicago on April 27 in a further effort to bring about settlement of the firemen's demand for a second fireman on Diesel locomotives, and prevent a strike against four major railroads now called for 6 a.m. May 10. Strike action was postponed from April 26 at the request of the board (see *Railway Age* of April 29, page 62).

Before mediation meetings started, D. B. Robertson, president of the B. of L.F.&E., charged that the railroads were attempting to intimidate the firemen so that they would not leave their jobs if the strike is called. Supervisory employees were questioning firemen, he stated, creating "anger and restlessness among our members at a time when their feelings are already tense."

D. P. Loomis, chairman of the Association of Western Railways, denied the charge, declaring that "It is a gross distortion of what actually has occurred."

Mr. Loomis explained that some of the railroads on which the firemen have threatened to strike have "very properly" made inquiries of their firemen to ascertain how many wanted to continue on the job in the event of a strike. The railroads must know in advance how much service they can plan on continuing, Mr. Loomis explained, "in order to give advance notice to shippers and travelers." Mr. Loomis added that "such inquiries had been made mostly by phone and that they were made without any suggestion of intimidation or any attempt to persuade firemen to work or not to work."

## Will Hold Hearing on Donnell Bill to Outlaw Rail Strikes

The Senate committee on labor and public welfare will begin hearings May 8 on the bill introduced by Senator Donnell, Republican of Missouri, to outlaw railroad strikes and lockouts in defiance of awards by Presidential boards. Provisions of the bill, S.3463, were outlined in the *Railway Age* of April 29, page 62.

## Waybill Study

Another waybill study has been issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. It is Statement No. 5010, covering "all terminations in 1948" in commodity classes 501 through 597 of the Manufactures and Miscellaneous group. The tabulations show the traffic and revenue by commodity class, territorial movement, length of haul (short line), and type of rate.

Additional General News appears on pages 71 and 72.

# ORGANIZATIONS

## Protective Section To Meet at Boston

The 30th annual meeting of the Protective Section of the Association of American Railroads will be held at the Hotel Statler, Boston, Mass., May 24-26. The program, in addition to committee reports and open discussion sessions, includes addresses by J. F. Doolan, executive vice-president, New York, New Haven & Hartford; E. A. Soucy, special agent in charge, Federal Bureau of Investigation, Boston; F. G. Love, manager, property protection and freight claim departments, New York Central; Tennyson Jefferson, post office inspector in charge, Boston; R. M. Edgar, assistant to the president, Boston & Maine; W. I. Spitzer, chief special agent, Chicago, Indianapolis & Louisville; A. L. Green, special representative, Freight Claim Division, A. A. R.; J. M. Feeney, manager,

New York Terminal Matching Bureau; Maurice R. Allen, supervising agent, U. S. Secret Service, Boston; and J. P. Kenney, superintendent, New York zone, Pullman Company. Jacob Aronson, vice-president and general counsel, N. Y. C., will be guest speaker at the informal dinner on May 25.

G. R. Crowley, superintendent of police, N. Y. N. H. & H., is chairman of the section and J. C. Caviston, secretary.

The regular meeting of the **Women's Traffic Club of New York** will be held in the Tower Club Rooms of the Park Sheraton Hotel, 7th avenue and 55th street, New York, on May 9, at 6:30 p.m.

The next meeting of the **Eastern Car Foreman's Association** will be held on May 12, at 7:45 p.m., in the Engineering Societies building, 29 West 39th street, New York. L. J. McLain, traveling car inspector, Delaware & Hudson, will speak on "Lubrication and Hot Boxes." Also, a motion picture produced by the Atchison, Topeka & Santa Fe, covering switching, road handling and its effect on packing, wedges and journal bearings, will be shown.

# EQUIPMENT AND SUPPLIES

The Gulf, Mobile & Ohio board of directors has authorized purchase of 12 Diesel-electric locomotives and 100 70-ton hopper cars.

## Domestic Equipment Orders Reported in April

Domestic orders for 108 Diesel-electric locomotive units and 4,980 freight-train cars were reported in *Railway Age* last month. Estimated total cost of the locomotive units is \$17,000,000 and of the freight cars \$25,300,000. An accompanying table lists the orders in detail.

During the first four months of 1950, *Railway Age* has reported domestic orders for 699 Diesel-electric locomotive units costing about \$99,761,000, 26,563 freight-train cars costing approximately \$138,865,000, and six rail Diesel passenger cars costing about \$800,300.

## FREIGHT CARS

The Delaware & Hudson will lease 500 50-ton box cars from the Equitable Life Assurance Society. The cars have been ordered from the Pullman-Standard Car Manufacturing Company for delivery next fall.

The Pennsylvania is inquiring for 500 to 5,000 40½-ft. 50-ton box cars; 500 to 2,000 50½-ft. 50-ton box cars; 500 to 2,500 46-ft. 70-ton gondola cars; 500 to 2,500 52½-ft. 70-ton gondola cars, and 500 to 1,000 65½-ft. 70-ton gondola cars.

## PASSENGER CARS

The New York Central System has ordered a third all-stainless steel rail Diesel car from the Budd Company (see *Railway Age* of February 4, 1950, page 67), at a cost of \$128,500.

## LOCOMOTIVES

The board of directors of the Nashville, Chattanooga & St. Louis has authorized purchase of 47 Diesel-electric units to cost \$6,215,713. The purchase will include 16 1,500-hp. road, 17 1,500-hp. road-switching, 10 1,200-hp. switching and 4 special switching units. All yard and road operations will be completely Dieselized when delivery of these units is completed, which is expected by the end of the year, the road said.

The New York, Chicago & St. Louis has ordered 10 Diesel-electric locomotive units. Four 1,200-hp. switching units were ordered from the Lima-Hamilton Corporation for delivery this month; three 1,200-hp. switching units from the Electro-Motive Division of General Motors Corporation for delivery in September, and

Locomotives			
Date	Purchaser	No. Type	Builder
April 1	Erie	7 4-unit 6,000-hp. frt.	American-G.E.
		14 1,500-hp. rd.-sw.	American-G.E.
		26 1,500-hp. rd. sw.	Electro-Motive
		5 1,000-hp. rd. sw.	Electro-Motive
		9 1,500-hp. rd. sw.	Baldwin
		6 1,000-hp. rd. sw.	Lima-Hamilton
April 29	Southern	16 1,600-hp. rd.-sw.	American-G.E.
		24 1,500-hp. frt. & pass. road units	Fairbanks, Morse Electro-Motive
Freight Cars			
April 1	L. & N.	500 50-ton Box	Pullman-Standard
	Lehigh Valley	500 50-ton Box	Pullman-Standard
		1,000 50-ton Box	Bethlehem
April 8	Equitable Life Assurance	700* 50-ton Pulpwood	Pullman-Standard
		600* 70-ton Cov. Hopper	Pullman-Standard
April 15	Mather Stock Car	130 40-ft. Beef Refrig.	Co. Shops
	L. S. & I.	50 55-ton Box	Pullman-Standard
	Reading	1,000 50-ton Hopper	Bethlehem
April 22	Reading	500 50-ton Box	American Car & Fdy.

\*To be leased to the Atlantic Coast Line.

two 1,000-hp. and one 660-hp. switching units from the American Locomotive-General Electric Companies for delivery in June.

The **New York, New Haven & Hartford** has ordered 40 Diesel-electric locomotive units, deliveries of which are scheduled to begin late in June and be completed late next September. The American Locomotive-General Electric Companies will build 20 1,600-hp. road-switching units; 10 similar units will be constructed by Fairbanks, Morse & Co., and the Lima-Hamilton Corporation will build 10 1,200-hp. yard-switching units.

The **Wabash** has ordered 77 Diesel-electric locomotive units costing more than \$11,000,000. For use on the road's domestic lines the Electro-Motive Division of General Motors Corporation will build one 3-unit 4,500-hp. freight, fifteen 2-unit 3,000-hp. freight, three 1,500-hp. road-switching (with two extra 4-wheel trucks complete with motors), eight 1,200-hp. switching and two 800-hp. switching locomotives. Delivery of these units is to begin in June and be completed next September. For use on the Wabash's Buffalo Division in Canada, General Motors Diesels, Ltd., will construct ten 2-unit 3,000-hp. freight, one 1,500-hp. road-switching (with two extra 4-wheel trucks complete with motors), and three 800-hp. switching locomotives. Delivery of these units is scheduled for next October. The remaining units—seven 1,200-hp. switchers—were ordered from the Lima-Hamilton Corporation.

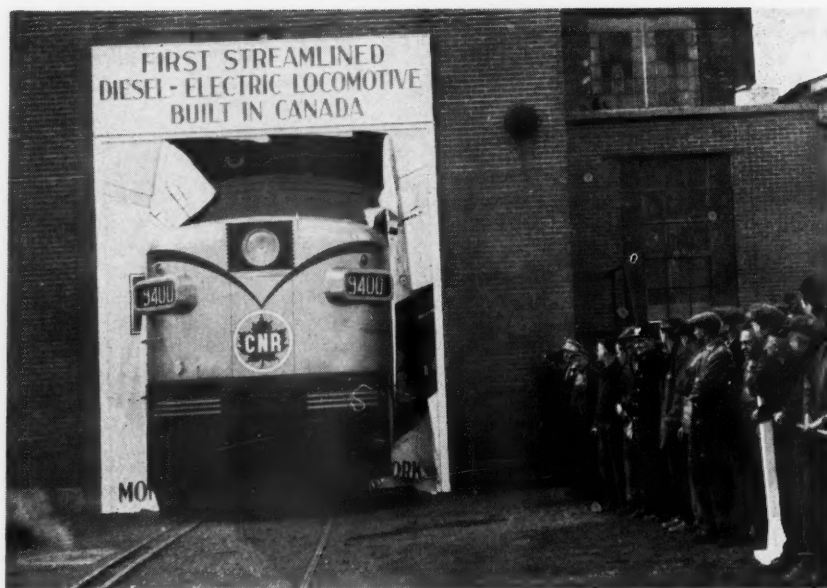
## SIGNALING

### G.C. & S.F. to Install Microwaves

The Gulf, Colorado & Santa Fe has announced that it will install a multi-channel beam-radio system, operating in the 6,575- to 6,875-megacycle band, to provide additional telephone and telegraph circuits between its offices in Galveston, Tex., and Beaumont, about 70 air-line mi. Capable of handling eight telephone conversations simultaneously, the new microwave radio relay system will be expandable up to 24 channels.

Three automatic unattended radio repeater stations will be installed between the two cities, with duplicate equipment at both terminals and the repeater locations to assure continuous operation. To be installed under the jurisdiction of J. A. Parkinson, superintendent of communications, equipment for the project is being furnished by the Philco Corporation.

The **Illinois Central** has ordered from the Union Switch & Signal Co. materials to install coded remote control signaling on 21 mi. of double track between Otto, Ill., and Gilman. Three 2½-ft. B-30 control machines will be installed at Gilman. In addition to the code equipment, the order includes relays, rectifiers, transformers and housings. Field installation will be done by railroad forces.



The first streamlined Diesel-electric locomotive built in Canada rolled off the Montreal Locomotive Works' assembly line on April 12. Pictured here is the two-unit 3,000-hp. freight locomotive bursting its way through a screen covering the exit of the company's Montreal, Que., plant. S. F. Dingle, vice-president in charge of Canadian National operations, and Alastair Fraser, vice-president, traffic, took delivery of the equipment, which is intended for service over the C.N.'s Lake St. John area between Chicoutimi, Que., and Montreal.

## SPECIAL

**Burlington Truck Lines**, a wholly owned subsidiary of the Chicago, Burlington & Quincy, has announced expenditure of \$350,000 for new tractor and trailer units to permit expansion and improvement of pickup and delivery service for the railroad at several important points. The new equipment will consist principally of 10 General Motors Diesel tractors, 5 Mack Diesel tractors, 32 Freuhauf stainless steel van trailers, 8 Freuhauf stainless steel open-top tandem trailers, and two Gramm aluminum van trailers.

## SUPPLY TRADE

The **Scullin Steel Company** has made the following executive changes: **William J. Monahan**, formerly secretary and treasurer, advanced to vice-president and secretary; **Edwin L. Kaiser**, formerly assistant secretary and assistant treasurer, appointed treasurer and assistant secretary; and **Fred H. Spenner**, formerly assistant vice-president, mechanical engineering, advanced to vice-president of the division.

**Thomas M. Stinson**, formerly district sales manager in the St. Louis, Mo., territory for the **United States Steel Products Company**, a U. S. Steel Corporation subsidiary, has been appointed general manager of sales, with headquarters at 30 Rockefeller Plaza, New York. He is succeeded by **G. P. Wardley, Jr.**, formerly a

sales representative at the Bennett manufacturing division, Chicago.

**Darrell Smith** has been appointed manager of distributor sales of the **Joy Manufacturing Company**, Pittsburgh, Pa. Mr. Smith was division sales manager in the southeastern states for the past four years.

The **National Electric Products Corporation**, Pittsburgh, Pa., has purchased **I. A. Bennett & Co.**, Chicago, for 46 years an exclusive sales agent in 15 midwestern states for the National line of electrical roughing-in materials. **R. C. Bennett, Jr.**, former general manager of the Bennett firm, is vice-president and sales manager of National Electric, and **Earl M. Nelson**, sales manager for Bennett, has been appointed National's midwest district manager. The territory formerly covered by Bennett will now be served directly by National, from factory branch sales offices in Chicago, St. Paul, Minn., St. Louis, Mo., Kansas City, and Dallas, Tex.

The Chicago regional offices of the **Gould Storage Battery Corporation** have been moved from 175 West Jackson boulevard to 100 East Ohio street.

The **McDougall-Butler Company** has moved to 2929 Main street, Buffalo 14, N. Y.

**K. A. Vaughan**, formerly manager field engineering of the **Gould Storage Battery Corporation**, Trenton, N. J., has been advanced to the newly created position of manager sales engineering. In addition to supervising field engineers and service

stations, Mr. Vaughan also will supervise coordination of all matters pertaining to quotations, inquiries, and negotiations. Mr. Vaughan has been associated with Gould since 1928 and advanced through



K. A. Vaughan

every department of the company's Depew, N. Y., plant. In 1934 he was appointed field engineer and, after nine years of field experience, joined the sales staff. He was appointed field engineering manager in 1945.

Frank Purnell has been elected chairman of the board of directors of the Youngstown Sheet & Tube Co., J. L. Mauthe, president, and Alfred S. Glossbrenner, vice-president in charge of operations. Mr. Purnell, associated with Youngstown Sheet & Tube since 1902, was elected president on January 1, 1930.

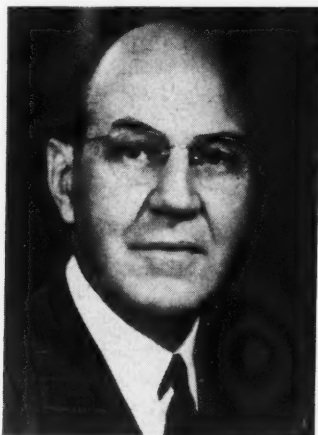
Mr. Mauthe was graduated from Pennsylvania State College and later associated successively with the Carnegie Steel Company; the National Tube Com-



Frank Purnell

pany; the Midvale Steel & Ordnance Co.; the Illinois Steel Company, and the National Tube Company. He joined Youngstown in 1935. In 1937 he was appointed general superintendent of the Youngstown, Ohio, district and in 1943 was elected vice-president in charge of all operations.

Mr. Glossbrenner formerly was associated successively with the American Sheet & Tin Plate Co. and the Illinois Steel Company, both subsidiaries of the U. S. Steel Corporation. He joined Youngstown in 1935 as assistant superintendent of the hot strip mill at the Campbell works, and a year later was ap-



J. L. Mauthe

pointed superintendent of the mill. In 1942 he was appointed superintendent of the Brier Hill works and ten months



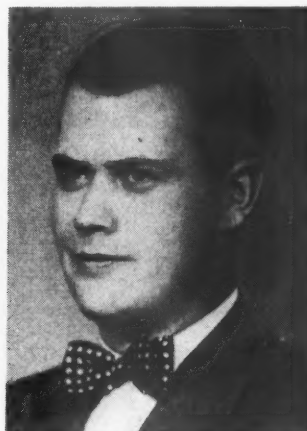
Alfred S. Glossbrenner

later, general superintendent of plants in the Youngstown district. He was elected vice-president in charge of steel operations at all plants in January, 1947.

H. M. McFarlane, president of the National Railway Appliances Association, has joined the sales force of the Cullen-Friestedt Company, Chicago, manufacturers of "Burro" cranes. Mr. McFarlane formerly directed sales at the O. F. Jordan Company, East Chicago, Ind. He is a past president of the Track Supply Association.

Thomas H. Smith has been appointed assistant vice-president in charge of railroad sales for the Rust-Oleum Corporation, with headquarters in New York. He will assist the firm's railroad representatives in the eastern region of the United

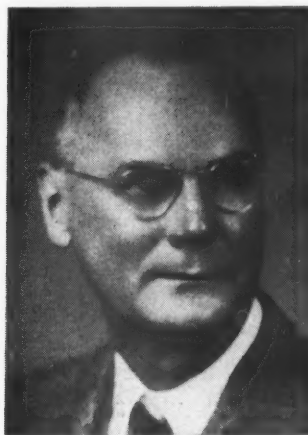
States. Mr. Smith began his business career in 1941 with the Hallen Welding Company. In 1942 he enlisted with the U.S. Army Combat Engineers and after his discharge in 1945, joined the freight



Thomas H. Smith

traffic department of the Pennsylvania. He has been a sales representative for the Collins Oil & Manufacturing Co. for the past two years.

W. E. Bossert has been appointed New York district sales manager for the Alan Wood Steel Company, Conshohocken, Pa., to succeed W. H. Dickson, who has retired voluntarily after 41 years of continuous service. Mr. Bossert joined Alan Wood in July, 1910, and except for service in World War I and with the War



W. E. Bossert

Production Board from July, 1942, to October, 1944, his association with the company has been continuous.

William Page, formerly in the railroad car parts department of the Hyman-Michaels Company, Chicago, has been appointed a vice-president. S. J. Barsy has joined the executive staff of the company. Max Mabel, formerly with the Max Schlossberg Company, Chicago, has joined the scrap department of Hyman-Michaels.

Edward A. Sipp has been appointed exclusive railway agent in the Chicago area

for the **Haskelite Manufacturing Corporation**, Grand Rapids, Mich. Mr. Sipp formerly was associated with the Pyle-National Company, the Gustin-Bacon Manufacturing Company and the Reynolds Metals Company, successively. He re-



Edward A. Sipp

cently established his own railway sales organization to handle Haskelite railway products, and will be located in the Chicago district sales office of Haskelite, Room 1156, Merchandise Mart.

**C. Allan Fee**, formerly assistant secretary of the **American Car & Foundry Co.**, has been elected secretary, succeeding



C. Allan Fee

**Howard C. Wick**, who has retired after 45 years of service, the last 34 as secretary. Mr. Fee joined A.C.F. in 1915 and was elected assistant secretary in 1938.

"To broaden its service to railroad customers," the **American Locomotive Company** has assigned field locomotive sales, service and renewal parts authority to the field districts of the **General Electric Company**, effective May 15.

American Locomotive and General Electric have collaborated in the design, manufacture and sales of Alco-GE locomotives for years. The new step will give Alco-GE greatly increased sales coverage.

All transactions relative to field loco-

motive sales and service now will be handled through the appropriate General Electric district offices, under the direction of Alco-GE headquarters at Schenectady, N. Y., with W. S. Morris, vice-president of American Locomotive Company, in charge.

American Locomotive will continue to be the contracting party for all sales, including renewal parts. Its district sales personnel will coordinate their activities through General Electric district offices.

In the sales of products of its Railway Steel Spring and Alco Products divisions, Alco will continue to serve the railroads and industry as a whole from its own district offices.

## OBITUARY

**Walter F. Healy**, manager of railway sales for the Union Metal Manufacturing Company, Canton, Ohio, died on April 18, in Indianapolis, Ind. He was 59 years old.

**Robert Rogers**, president and director of the Shippers' Car Line Corporation, a subsidiary of the American Car & Foundry Co., died on May 1, in Milton, Pa., while on a business trip. He was 59 years old.

**M. Drew Helwig**, industrial engineer at the Pullman-Standard Car Manufacturing Company's car works in Chicago, died on April 24, at his home in that city, at the age of 46.

## FINANCIAL

### Lets P.R.R. and Wabash Buy D.T.&I. from Pennroad

Division 4 of the Interstate Commerce Commission has authorized the Pennsylvania and Wabash to acquire control of the Detroit, Toledo & Ironton through purchase of 245,329 shares of its common stock from the Pennroad Corporation. The division's report in Finance Docket No. 16426 was made public on May 3.

The purchase price would be \$105.50 per share of D.T.&I. stock and the acquisition plan provides that the Pennsylvania Company, wholly owned subsidiary of the P.R.R. and parent company of the Wabash, will purchase 200,000 shares while the Wabash buys 45,329 shares. The total cost to the Pennsylvania Company will thus be \$21,100,000. It will pay \$5,100,000 in cash and finance the remainder through a \$16,000,000 issue of collateral trust bonds, which was also approved by the commission. The total cost to the Wabash will be \$4,782,209.50, to be paid in cash.

Another phase of the plan, as approved by the commission, contemplates acquisition by the Pennsylvania Company and Erie of joint control of the Springfield Suburban, a switching line operating in

Springfield, Ohio. Generally, Division 4's favorable report in the case follows the recommendations of a proposed report made by Examiners Paul C. Albus and G. M. Eddy (see *Railway Age* of October 29, 1949, page 60).

**Illinois Central.—Dividend Suit.**—The open-court phase of the suit against this road in which preferred stockholders contend earnings were high enough to permit dividend payments on the \$6 non-cumulative preferred stock during 1937-47 closed this week in the United States District Court in New York. Briefs are expected to be filed shortly by both sides and the court opinion is expected within 30 days.

**Nashville, Chattanooga & St. Louis.—New Director.**—Parkes Armistead, president of the First National Bank, Nashville, Tenn., has been elected to this road's board of directors to succeed the late George A. Shwab.

**New York, New Haven & Hartford.—Purchase of B.&P. Debentures.**—The Metropolitan Life Insurance Company has been permitted by the I.C.C. to intervene in this proceeding, wherein the New Haven is seeking authority to purchase for \$3,250,000 a claim against the Boston & Providence estate based upon \$2,170,000 of matured 5 per cent debentures (see *Railway Age* of April 8, page 63). The insurance company is opposing the purchase on the grounds that the B.&P. debentures are "not worth the amount which the New Haven proposes to pay for them," and "that no advantage would result to the New Haven . . ." In asking permission to intervene, the insurance company's petition said that company owns 12,557 shares of New Haven preferred and 9,184 shares of common, which stock was voted against the proposed purchase at the annual meeting of the New Haven on April 12. The B.&P. debentures, which matured July 1, 1938, were purchased in 1945 for \$2,256,800 by Frederic C. Dumaine and other individuals. Mr. Dumaine, now president of the New Haven, owns \$2,000,000 of the debentures, a portion of which is subject to certain options. The proposed sale to the New Haven would be effective June 30.

**Rutland.—Allowance for Reorganization Expenses.**—Division 4 of the I.C.C. has authorized reorganization managers of this road to incur expenses up to \$20,724 in connection with consummating the plan of reorganization. This sum does not include allowance for compensation and expenses of counsel, the division's report said.

### New Securities

Applications have been filed with the I.C.C. by:

**Chicago, Milwaukee, St. Paul & Pacific.**—To assume liability for \$4,650,000 of series LL equipment trust certificates to finance in part 13 Diesel-electric locomotives, costing an estimated \$6,289,514, to

be purchased from Electro-Motive Division, General Motors Corporation:

Description	Estimated Unit Cost
1 4,500-hp. freight locomotive, comprised of 2 lead units and 1 booster unit .....	\$487,204
5 4,500-hp. freight locomotives, each comprised of 2 lead units and 1 booster unit .....	494,604
6 4,500-hp. passenger locomotives, each comprised of 2 lead units and 1 booster unit .....	521,717
1 2,400-hp. transfer locomotive, comprised of 1 lead unit and 1 booster unit .....	198,981

The certificates, to be dated June 1, would mature in 30 semi-annual installments of \$155,000 each, beginning December 1, 1950. They would be sold on the basis of competitive bids, with the interest rate set by such bids.

**Texas & Pacific.**—To assume liability for \$2,400,000 of series H equipment trust certificates to finance in part 11 Diesel-electric locomotives, costing an estimated \$3,300,473, to be purchased from Electro-Motive Division, General Motors Corporation:

Description	Estimated Unit Cost
6 3,000-hp. road freight locomotives, each consisting of 2 1,500-hp. "A" units .....	\$329,650
2 4,500-hp. road freight locomotives, each consisting of 2 1,500-hp. "A" units and 1 1,500-hp. "B" unit ..	480,270
1 1,500-hp. road freight locomotive ..	164,825
2 1,200-hp. switching locomotives ..	98,604

The certificates, to be dated June 1, would mature in 10 annual installments of \$240,000 each, beginning June 1, 1951. They would be sold on the basis of competitive bids, with the interest rate set by such bids.

Division 4 of the I.C.C. has authorized:

**Delaware, Lackawanna & Western.**—To assume liability for \$1,995,000 of series J equipment trust certificates to finance in part four 1,600-hp. Diesel-electric road-switching locomotives and 300 70-ton covered hopper cars. (See *Railway Age* of April 8, page 63.) Total cost of the new equipment is estimated at \$2,505,456. The certificates will be dated April 1, and will mature in 15 annual installments of \$133,000 each, beginning April 1, 1951. The commission's report approved a selling price of 99.7236 with interest at 2% per cent—the bid of Lee Higginson Corporation and 2 associates—making the average annual cost of the proceeds approximately 2.43 per cent. The certificates were reoffered to the public at prices yielding from 1.45 to 2.65 per cent, according to maturity.

**St. Louis-San Francisco.**—To assume liability for \$2,250,000 of series F equipment trust certificates to finance in part 19 Diesel-electric locomotives, costing an estimated total of \$2,993,901. (See *Railway Age* of April 8, page 63.) The certificates, to be dated May 1, will mature in 15 annual installments of \$150,000 each, beginning May 1, 1951. The commission approved a selling price of 99.079—bid by Halsey, Stuart & Co. and 5 associates—with an interest rate of 2¼ per cent. The average annual cost of the proceeds to the road will be approximately 2.4 per cent. The certificates were reoffered to the public at prices yielding from 1.45 to 2.55 per cent, according to maturity.

## Dividends Declared

Cleveland & Pittsburgh.—4% guaranteed, 50¢, quarterly; 7% guaranteed 87½¢, quart-

erly; both payable June 1 to holders of record May 10.

Nashville, Chattanooga & St. Louis.—75¢, payable June 1 to holders of record May 8.

Norfolk Southern.—75¢, quarterly, payable June 15 to holders of record June 1.

Norfolk & Western.—75¢, quarterly, payable June 9 to holders of record May 10.

Reading.—4% non-cumulative 1st preferred, 50¢, quarterly, payable June 8 to holders of record May 18.

Richmond, Fredericksburg & Potomac.—6% guaranteed, 75¢ semiannual; 7% guaranteed, 87½¢, semiannual; both payable May 1 to holders of record April 29.

Southern.—75¢, payable June 15 to holders of record May 15.

## Average Prices Stocks & Bonds

	May 2	Prev. week	Last year
Average price of 20 representative railway stocks	42.58	41.76	38.87
Average price of 20 representative railway bonds	92.05	92.01	86.59

## RAILWAY OFFICERS

### EXECUTIVE

**Robert E. Stevenson**, assistant vice-president of the Gulf, Mobile & Ohio, with headquarters at St. Louis, Mo., has been elected vice-president. Mr. Stevenson was born on July 5, 1905, at Grand Junction, Tenn., and was graduated from Washington & Lee University in 1927. He entered railroad service in 1928 as a clerk in the traffic department of the Gulf, Mobile & Northern (now G.M.&O.) at Mobile, Ala., and in 1929 became secretary



Robert E. Stevenson

to general passenger agent there. From 1933 until 1940 he served as commercial agent at New Orleans, La., and in the latter year was promoted to district freight agent at Jackson, Tenn. He was further advanced to executive assistant at that point in 1943, being appointed assistant to the president in 1945. In January, 1947, Mr. Stevenson was appointed executive general agent at St. Louis, and in April, 1948, became assistant vice-president.

**William F. Gleeson**, general counsel of the Lehigh Valley at New York has been elected vice-president in charge of its

law department. Mr. Gleeson was born on November 15, 1883, at Brooklyn, N. Y., where he attended public schools. After completing his legal studies at New York Law School and Fordham Univer-

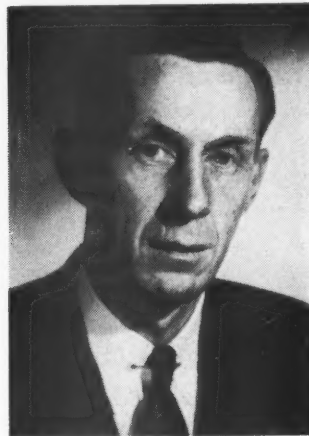


William F. Gleeson

sity, he began his career with the L. V. as a clerk in the claims department in 1908. Mr. Gleeson then served successively as claims adjuster, chief claim agent, and claims attorney before becoming assistant general counsel of the road in January, 1945. He was promoted to general counsel in January, 1948.

**Arthur L. Schwartz**, president and director of the Chicago, Aurora & Elgin, has announced his resignation from both positions, effective May 19.

**W. H. Armbrecht, Jr.**, whose election as president of the Alabama, Tennessee & Northern, with headquarters at Mobile, Ala., was reported in the *Railway Age* of April 22, was born on November 1, 1908, in Mobile. He was graduated from the University of Alabama with an LL. B. degree in 1932, and in June of that year



W. H. Armbrecht, Jr.

became a member of the law firm of Armbrecht & Twitty. In October, 1938, he became a member of the firm of Inge, Twitty, Armbrecht & Jackson. Mr. Armbrecht was appointed vice-president and

general counsel of the A. T. & N. in October, 1944, and was serving in that position at the time of his election as president.

## FINANCIAL, LEGAL & ACCOUNTING

**R. E. Sansom**, whose retirement as auditor of freight and passenger accounts of the Chicago & Eastern Illinois at Chicago, was reported in the *Railway Age* of April 15, is a native of Evansville, Ind. Mr. Sansom entered railroad service in March, 1900, in the accounting department of the Evansville & Terre Haute (now part of the C. & E. I.). He held various junior clerical positions until 1906, when he was made department head, freight section, at Evansville. In 1911 he was transferred to Chicago, and subsequently served in various capacities in the freight accounting department, later becoming head clerk in the verification section. Mr. Sansom was appointed chief clerk, passenger accounts, in 1917, and the following year was made chief clerk to auditor of freight and passenger accounts. He was promoted to auditor of freight and passenger accounts in October, 1946.

**Charles Anderson**, whose promotion to auditor of the Northern Alberta (part of the Canadian National and Canadian Pacific), with headquarters at Edmonton, Alta., was reported in the *Railway Age* of April 15, was born on August 25, 1901, at Paisley, Scotland. Following graduation from commercial high school in Edmonton, in July, 1918, Mr. Anderson entered railroad service with the Grand Trunk Pacific (now part of the C. N.) in the engineering department at Edmonton. In 1919 he was transferred to the freight department, later becoming rate clerk and chief biller. In 1923 he



Charles Anderson

joined the accounting department of the Alberta government-owned Alberta & Great Waterways. He was appointed traveling auditor in 1926, and after the Edmonton, Dunvegan & British Columbia came under government operation he was made chief clerk in the accounting department. When the Alberta govern-

ment owned railways were jointly purchased by the C. N. and C. P. and became the Northern Alberta, Mr. Anderson continued as chief clerk until his appointment as assistant auditor-revenues in May, 1942, from which position he was recently promoted.

**R. W. Harper** has been appointed assistant auditor of the Midland Valley, the Kansas, Oklahoma & Gulf and the Oklahoma City-Ada-Atoka at Muskogee, Okla.

**A. P. Neill**, assistant to assistant general auditor of the Chicago, Rock Island & Pacific at Chicago, has been advanced to assistant auditor of disbursements at that point, succeeding **A. M. Haupt**, who has resigned.

**Frederick J. Kavanagh**, whose retirement as auditor of the Northern Alberta (part of the Canadian National and Canadian Pacific) at Edmonton, Alta., was reported in the *Railway Age* of April 15, was born at Coteau, Que., on February 11, 1885, and educated at Farnham (Que.) Academy. Mr. Kavanagh began his railroad career in November, 1898, in the operating department of the C. P. at Farnham. He later served in the division accounting office at that point until his transfer to White River, Ont., in 1909 as division accountant. From 1911 to 1921 he served successively as inspector of timekeeping, and traveling accountant, Lines West of Port Arthur, Ont. Subsequently he was advanced to assistant auditor of the Alberta government-owned Edmonton, Dunvegan & British Columbia at Edmonton, then under the management of the C. P., becoming assistant auditor of disbursements for the C. P. at Montreal, Que., in 1926. Mr. Kavanagh was appointed auditor of joint facilities in 1928, and when the N. A. was organized under the joint ownership of the C. N. and C. P., he became its auditor.

## OPERATING

**V. B. Gleaves**, assistant general superintendent transportation of the St. Louis-San Francisco, with headquarters at Springfield, Mo., has been appointed superintendent of stations at that point.

**J. E. Manley**, acting assistant general manager—operations of the Alaska at Anchorage, Alaska, has been appointed assistant general manager—operations at that point. **R. V. Boyd**, acting superintendent of operations at Anchorage, becomes superintendent of operations there.

**Juan M. Ramirez Caraza** has been appointed assistant to general manager of the National of Mexico, with headquarters at Mexico, D. F.

**J. A. Krause**, district safety supervisor of the Chicago, Rock Island & Pacific at Kansas City, Mo., has been promoted to the newly-created position of assistant superintendent of safety at Des Moines, Iowa. **Roy W. Friday**, assistant superin-

tendent of the Missouri-Kansas division, has retired after 52 years of service with the Rock Island.

**A. L. McGregor**, assistant to the general superintendent of the Quebec district of the Canadian Pacific at Montreal, Que., has been appointed superintendent of the Trenton division, with headquarters at Toronto, Ont. **J. W. Stewart**, assistant superintendent of the Brownville division, at Brownville Junction, Me., succeeds Mr. McGregor. **F. J. Liston**, assistant superintendent of the Smith's Falls division, has been transferred to the Laurentian division at Montreal and will



A. L. McGregor

be succeeded by **Michael Dube**, assistant superintendent of the Laurentian division.

Mr. McGregor joined the C. P. in 1918 as secretary to the general superintendent at Winnipeg, Man., subsequently going to Saskatoon, Sask. In April, 1929, he became secretary to the chairman and president at Montreal and in October, 1941, was appointed assistant superintendent at Ottawa, Ont., transferring to Trenton, Ont., in 1943. Mr. McGregor became assistant to the general superintendent of the Quebec district in 1944.

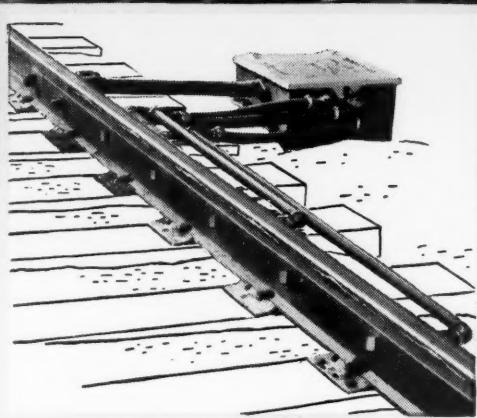
**J. B. Bailey**, assistant district superintendent, Chicago Northern district, of the Pullman Company, has been appointed district superintendent of the same district, succeeding **J. C. McCormick**, retired.

**Harry I. Norris**, assistant manager of the Union Pacific's dining car and hotel department at Omaha, Neb., has been promoted to manager of that department, succeeding **H. A. Hansen**, who has retired after 48 years of service.

**J. H. Blake**, trainmaster, Western Lines, Atchison, Topeka & Santa Fe, at Wyanoka, Okla., has been transferred to Carlsbad, N. M. He is succeeded by **K. C. May**.

**J. S. Simon**, who has been on sick leave, has resumed the position of trainmaster on the Missouri Pacific's Wichita division, at Wichita, Kan. **F. R. Malott**, gen-

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**MANGANESE STEEL  
GUARD RAILS**



eral yardmaster, Kansas City terminal division, has been advanced to trainmaster on that division, at Kansas City, Mo., succeeding **H. K. Stephens**, assigned to other duties. Appointed acting trainmaster at Little Rock, Ark., is **J. A. Austin**, assistant trainmaster at Poplar Bluff, Mo. Mr. Austin succeeds **C. E. Wood**, promoted to acting division engineer at Monroe, La.

**R. W. Andrews** has been appointed assistant to assistant general manager of the New York Central Lines West of Buffalo, at Cleveland, Ohio.

**Jesse W. Huckaby** has been appointed superintendent of terminals of the Southern at Knoxville, Tenn., as reported in the *Railway Age* of April 1. Mr. Huckaby was born on March 21, 1916, in Alabama, where he attended high school at LaFayette and Howard College at Birmingham. Entering the service of the Southern in February, 1941, as a switchman at Birmingham, Mr. Huckaby sub-



Jesse W. Huckaby

sequently served as assistant trainmaster at Cincinnati, Ohio, and Hattiesburg, Miss. In October, 1948, he was promoted to trainmaster at Selma, Ala., and a year later went to Cincinnati as terminal trainmaster. He was appointed general yardmaster at Danville, Ky., on February 1, 1950, which position he held at the time of his recent appointment.

## TRAFFIC

The Illinois Central has announced the following changes in its traffic department, effective June 1: **Ernest J. Carr**, general eastern traffic manager at New York, becomes freight traffic manager at Chicago, to supervise sales and service agencies in the midwest and handle special assignments; **Carl A. Larsen**, assistant freight traffic manager at Chicago, becomes freight traffic manager at St. Louis, Mo., with jurisdiction over I. C. sales and service in the southwestern area, succeeding **John D. Cameron**, whose new position is to be announced at a later date; **Rommie B. Smith**, freight traffic manager at Chicago, becomes general coal traffic manager, a new post;

**Ralph L. Andreas**, general traffic agent at Chicago, becomes general freight agent in charge of the Chicago area sales and service office, succeeding **Charles H. Campbell**, who in turn replaces Mr. Carr; **Philip A. Webb, Jr.**, general traffic agent at Chicago, becomes general freight agent



Carl A. Larsen

at New Orleans, La., succeeding **Thomas J. Prendergast**, who replaces Mr. Andreas; **Maurice J. Mulconnery**, general agent at St. Louis, becomes general traffic agent at that point, and **John J. Mahoney**, general agent at New York, becomes general eastern agent there.

Mr. Larsen was born at Sioux City, Iowa, on January 22, 1909, and received his higher education from La Salle Extension University. He began his I. C. career in November, 1925, as a stenographer-clerk in the office of the division freight and passenger agent at Sioux City. In 1929 he was appointed secretary to the assistant general freight and passenger agent at Chicago, subsequently serving in numerous stenographic and clerical positions at that point until 1938, when he was advanced to chief clerk to the vice-president—traffic. In September, 1942, he was made office manager, and two years later was further advanced to assistant to the freight traffic manager at Chicago. Mr. Larsen was appointed general freight agent in August, 1945, and became assistant freight traffic manager in April, 1948.

A native of Minneapolis, Minn., Mr. Andreas received his higher education at the University of Minnesota. He joined the I. C. in 1934 as chief clerk in the traffic office at Minneapolis, and in 1935 became traffic agent at Grand Forks, N. D. From 1938 to 1942 he served in various capacities successively at Milwaukee, Wis., and Chicago, later being appointed general agent at Washington, D. C. He was made district freight agent at Washington in 1944, and two years later was placed in charge of I. C. sales and service. Mr. Andreas subsequently served as general traffic agent there until 1948, when he was appointed to the same position at Chicago.

Mr. Webb is a native of Monticello, Ga., and a graduate of Georgia Military

Academy. He entered railroad service with the I. C. in 1924 as a stenographer-clerk at Atlanta, Ga., and after holding various positions there, became traveling freight agent, with headquarters at Miami, Fla., in 1933. He was advanced to district traffic agent in 1935, and appointed general agent at Jacksonville, Fla., in 1939. Five years later Mr. Webb was transferred to Chicago as assistant general traffic agent, subsequently becoming general traffic agent there.

**C. J. Royce**, assistant general freight agent of the Green Bay & Western and the Kewaunee, Green Bay & Western at Minneapolis, Minn., has been appointed general freight agent at that point. **O. C. McWilliams**, general agent at Detroit, Mich., has been appointed assistant general freight agent at that point.

**R. K. Parsons**, general freight agent of the Florida East Coast, has been appointed freight traffic manager, with headquarters as before at St. Augustine, Fla. Mr. Parsons was born at Louisville, Ky., on February 18, 1899, and attended Louisville public schools, Male high school, Jefferson School of Law and Ogden College. He entered railroad service in 1916 with the Louisville & Nashville and the following year went with the Southeastern Mississippi Valley Freight Association. During 1918 he at-



R. K. Parsons

tended Army training school and from 1919 to 1921 was with the Louisville Tariff Bureau. Mr. Parsons served with the Southern Freight Association from 1922 to 1926 and the following year went with the Atlanta, Birmingham & Coast. He joined the Atlantic Coast Line later in 1927 and remained with that road until 1934, when he went to the F. E. C. as assistant general freight agent at St. Augustine. Mr. Parsons was advanced to general freight agent in 1940.

**Philippe Le Mattre**, general representative of the French National Railroads in Great Britain and Ireland, has been appointed to a similar position in the United States and Canada, with headquarters at New York, succeeding **J. B. Verlot**, who is returning to Europe. **Rene**

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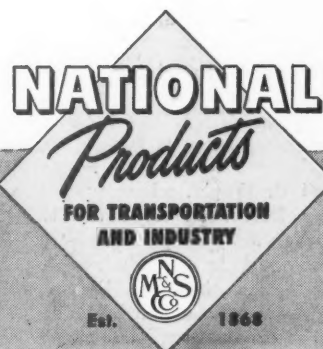
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• JOURNAL BOXES and LIDS



**Montheard**, assistant general representative, has been placed in charge of the newly-opened West Coast branch in San Francisco, Cal. **T. J. McHale** has been promoted to passenger traffic agent. **Stephen S. Coidan** has been assigned to maintain and establish contacts with travel agencies.

**William P. Eckfeldt** has been appointed assistant general passenger agent of the Pennsylvania at Philadelphia, Pa., succeeding **Walter E. Blachley**, who has retired after 51 years of service.

**Robert E. O'Herron** has been appointed general agent of the Chesapeake & Ohio at Buffalo, N. Y., succeeding **Ernest W. Ayers**, who has retired after 46 years of railroad service, 40 of which have been with the C. & O. **James E. Black**, division freight agent, has been appointed assistant general freight agent, with headquarters as before at Toledo, Ohio. The position of division freight agent at Toledo has been abolished.

**Fred H. Booth**, assistant to the passenger traffic manager of the Denver & Rio Grande Western at Denver, Colo., has been promoted to assistant general freight agent—statistics at that point.

**Robert P. Ethridge**, assistant city passenger and ticket agent of the Louisville & Nashville at Mobile, Ala., has been appointed to the newly-created position of assistant to the general passenger agent, at Louisville, Ky.

**C. D. Williams**, commercial agent of the Atlantic Coast Line at New Orleans, La., has been appointed general agent at Richmond, Va.

**R. R. Freed**, assistant general freight agent of the Chicago, Burlington & Quincy, at Omaha, Neb., has retired after more than 53 years of service.

The Wabash has announced the appointment as district passenger agents of **T. C. Hayden**, with headquarters at Cincinnati, Ohio, and Indianapolis, Ind., **R. T. Mollencott**, with headquarters at Little Rock, Ark., and **C. A. Hackenson**, with headquarters at Milwaukee, Wis., and Minneapolis, Minn. The title of district traffic representative formerly held by these men has been abolished. The titles of **H. W. Cook** and **P. L. Johnson**, general agents at Dallas, Tex., and Houston, respectively, have been changed to general agents, freight department.

**F. G. Storest**, general agent of the Minneapolis, Northfield & Southern at Minneapolis, Minn., has been transferred in that position to Duluth, Minn.

**Virgil G. Wright**, whose promotion to general freight agent of the Chicago, Burlington & Quincy at Denver, Colo., was reported in the *Railway Age* of March 4, was born on December 17, 1901. Mr. Wright attended Wyandot high school at Kansas City, Kan., and in June,

1920, began his railroad career with the Burlington as a clerk in the local freight office at Kansas City, Mo. Subsequently he served as clerk in the assistant general freight agent's office at that point, and in 1926 was made city freight agent in the same office at Kansas City. He was appointed traveling freight agent in 1936, and four years later became commercial agent at Oklahoma City, Okla., being advanced to division freight agent at Burlington, Iowa, in April, 1943. Mr. Wright was transferred to Denver in June, 1946, as assistant general freight agent, the post he held prior to his promotion.

## MECHANICAL

**H. L. Crane**, acting master mechanic, Wyoming division, of the Union Pacific, has been appointed master mechanic of that division, at Cheyenne, Wyo.

**E. M. Vandiver**, acting master mechanic, Arkansas division, Missouri Pacific, at North Little Rock, Ark., has been appointed master mechanic at that point, succeeding the late **George Schepp**.

**George O. Prosser** has been appointed superintendent—car department of the Kentucky & Indiana Terminal at Louisville, Ky.

**J. W. Hawthorne**, assistant chief of motive power and equipment of the Atlantic Coast Line, has been appointed general superintendent motive power and equipment, with headquarters as before at Wilmington, N. C. Mr. Hawthorne was born at Williamsport, Pa., on March 29, 1911, and attended Purdue University (B.S.M.E. 1933). He began his career with the New York Air Brake Company at Watertown, N. Y., in July, 1933, transferring to Cleveland, Ohio, in July, 1936.



J. W. Hawthorne

From January to July, 1940, Mr. Hawthorne was a special representative of the Chesapeake & Ohio, then returning to New York Air Brake at Cleveland until October, 1943. Mr. Hawthorne joined

the Central of Georgia on November 1, 1943, as assistant superintendent motive power and on January 1, 1945, was promoted to superintendent motive power. He became assistant chief of motive power and equipment of the A.C.L. at Wilmington on January 1, 1949.

## PURCHASES & STORES

**J. G. Acheson**, division storekeeper, Pere Marquette district, Chesapeake & Ohio, at St. Thomas, Ont., has been advanced to general storekeeper, with headquarters at Grand Rapids, Mich.

**J. H. Baker** has been appointed purchasing agent of the Canadian Pacific at Calgary, Alta., as reported in the *Railway Age* of April 22. Mr. Baker joined the C.P. at Montreal, Que., in 1918 and became secretary to the vice-president



J. H. Baker

before being transferred in 1937 to the purchasing department, where he became chief clerk in 1943 and assistant purchasing agent at Montreal, in 1948. He held the latter position at the time of his recent promotion to purchasing agent at Calgary.

## ENGINEERING & SIGNALING

**E. B. Harris** has been appointed chief engineer of the Jacksonville Terminal at Jacksonville, Fla., in charge of valuation, roadway, bridge and building and signal departments.

**C. E. Wood**, trainmaster of the Missouri Pacific, at Little Rock, Ark., has been appointed acting division engineer on the Little Rock-Louisiana divisions, with headquarters at Monroe, La. He succeeds **W. Rambo**, granted sick leave.

## OBITUARY

**George Schepp**, master mechanic, Arkansas division, Missouri Pacific, at North Little Rock, Ark., died on April 16 at Little Rock.

## GENERAL NEWS

(Continued from page 59)

### Illinois Roads Propose Reed-Bulwinkle Pact

Railroads serving Illinois territory have filed an application with the Interstate Commerce Commission for approval of a Reed-Bulwinkle agreement relating to "rates, classifications, divisions, allowances, charges . . . for the transportation of property between points in Illinois territory." The application has been docketed as Section 5a Application No. 21. The proposed association would be known as the Illinois Freight Association, and would continue an already existing arrangement between the roads.

The application filed with the I.C.C. noted that the Illinois district has been called "the center of conflicting territorial rate adjustments." In connection with the proposed agreement, the application said: "This territory, important from a transportation standpoint, is adjacent to the boundaries of Eastern, Southern and Western rate territories and a separate rate-initiating organization in this buffer area has been found by experience to perform useful and necessary functions."

### Next Hearing in Rule 34 Case Set for June 12

Further hearing in the case in which the Interstate Commerce Commission is investigating Rule 34 of the Consolidated Freight Classification has been set for June 12 at Chicago before Examiner Myron Witters. The investigation was instituted by the commission in October, 1949, and the case is docketed as No. 30280. (See *Railway Age* of October 22, 1949, page 61).

### Lima-Hamilton Diesel Orders In First Four Months Top 1949

The Lima-Hamilton Corporation has received as many orders for Diesel-electric locomotives during the first four months of 1950 as it received during all 1949, according to Dan S. Ellis, president. One of the most satisfying aspects of the 1950 orders, Mr. Ellis said, is that all but two have come from railroads which made their first purchase of Lima-Hamilton Diesels in 1949.

### Schedule Changes

With the advent of daylight saving time in many parts of the country on April 30 most railroads in the changed-time areas published timetables reflecting new schedules, but few major changes in overall timing of trains.

The Pennsylvania's New York-St. Louis, Mo., "American" now arrives at St. Louis at 4:10 p.m., C.S.T., 25 min. earlier than before. Other P.R.R. trains speeded up were the "Red Arrow," 35 min. faster from Detroit, Mich., to New York, and the "Cincinnati Limited," 15 min. faster from Cincinnati, Ohio, to New York. New stops at Trenton, N. J., were added by the New York-Chicago

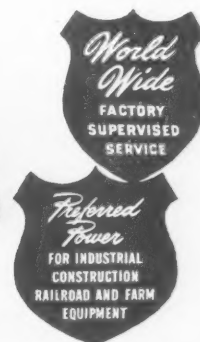
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The Boston & Maine put its "Flying Yankee" back on a 2-hr. run from Boston, Mass., to Portland, Me. The New York, New Haven & Hartford put its 9 p.m. Boston to New York train on a schedule 45 min. faster than before.

#### C. & N.W. and P.R.R. Announce New Services

The Chicago & North Western will put its new "Flambeau 400" into daily service between Chicago and Ashland, Wis., on May 26. Each of the new trains, streamlined and Diesel-powered, will consist of reclining seat coaches, parlor cars, a dining car and a baggage-tap-cafe-lounge car. Unlike its predecessor, the "Flambeau," the new train will operate throughout the year. A summer service will be offered to Watersmeet, Mich., from Monico, Wis., serving the resort centers of Eagle River, Conover and Land O'Lakes.

Improvements also have been announced in the Pennsylvania's seasonal northern Michigan service. The Diesel-powered "Northern Arrow" will include in its consist, for the first time, streamlined lounge and sleeping cars. A schedule similar to last year's will be followed, with three pre-season weekend trips before regular thrice-weekly northward trips are begun on June 19. Southward service, on Tuesdays, Thursdays and Sundays, will begin the next day. Additional post-season weekend trips will be operated as late as October 1.

#### High Court Won't Review Service Cut on Old Colony

An order of the U.S. District Court for Connecticut, restraining the Massachusetts Department of Public Utilities from interfering with curtailment of passenger service on the Old Colony division of the reorganized New York, New Haven & Hartford, has been left in force by the U.S. Supreme Court. The high court has refused to review the case, thus leaving the lower court order effective.

The district court order was issued under the "reservation of jurisdiction" which that court retained in the reorganization proceedings of the New Haven. The New Haven had proposed to reduce passenger service on the O.C. effective March 1, 1949, but the Massachusetts commission moved to force the road to continue all trains. The district court issued a temporary injunction and later a permanent one against the commission. The injunction order was upheld by the U.S. Circuit Court of Appeals for the Second Circuit on December 13, 1949.

The state commission then asked the U.S. Supreme Court to rule on the case, charging the district court had changed the "expressed intent" of the Interstate Commerce Commission by issuing the injunction.